

Mineral Revenue Collections

January - March 1998



Photo courtesy U.S. Department of Energy

Mineral Revenue Collections

January - March 1998

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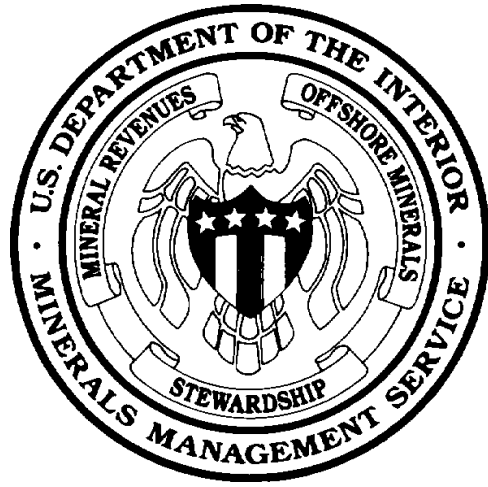
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Executive Summary

Revenues from mineral leases on Federal and Indian lands fell 14.8 percent, or \$265.7 million, for the first quarter of Calendar Year (CY) 1998, in comparison with the first quarter of CY 1997 (tables 3 and 4, and figure 2). The decline was primarily attributed to lower oil and gas prices in the first 3 months of CY 1998.

Federal offshore revenues dropped \$192.3 million, or 14 percent, during the period. A \$255.9 million decline in offshore royalties was offset in part by a \$164.9 million increase in bonus collections. Receipts from other revenues were down \$111.7 million. (Tables 3 and 4, and figure 7). Other revenues include minimum royalties, settlement payments, gas storage fees, estimated payments, and recoupments. Estimated payments for oil and gas by many payors exceeded royalty obligations when prices fell, resulting in refunds or recoupments during the first quarter of CY 1998.

Federal onshore revenues declined \$68.4 million, or 18.3 percent, during the same period. Royalties fell \$48.4 million and other revenues were off \$16.5 million (tables 3 and 4, and figure 10).

Indian revenues fell \$5 million, or 9.6 percent, during the period (tables 3 and 4, and figure 13). Much of the decline occurred with oil royalty receipts.

Coal Summary

The U.S. Department of Energy (DOE) reports that coal production in the United States reached a record 1,088.6 million short tons in 1997. The electric utility sector currently consumes nearly 90 percent of all coal used in the United States.

Coal prices to electric utilities fell in 1996 to their lowest level since 1979 and continued to fall in 1997. Gains in mining productivity have resulted in a downward trend for coal prices. The expected increase in coal prices from the effects of the Clean Air Act of 1990 have been more than offset by the productivity gains. Production of western coal is

expected to surpass the production of Appalachian coal in 1998 for the first time in history.

Federal and Indian coal royalties rose 4.4 percent, or \$3.9 million, in the first quarter of CY 1998 over corresponding levels in CY 1997 (tables 3 and 4, and figure 3). The increase in revenues resulted from a 7.4 percent rise in production, from 89.7 million short tons in the first quarter of CY 1997 to 96.3 million short tons in first quarter of CY 1998.

Natural Gas Summary

Natural gas prices fell in January and February 1998 due to warmer than expected winter weather in the continental United States. With lower demand, gas inventories remained high throughout the peak heating season. The DOE advises that gas inventories in February 1998 were estimated to be 26 percent higher than in February 1997. Prices began to rebound in March 1998 with colder weather; however, prices remained below corresponding prices one year earlier.

Federal and Indian gas royalties fell 16 percent, or \$128.1 million, during the period (tables 3 and 4, and figure 3).

Oil Summary

Average crude oil prices fell during the first quarter of CY 1998 as a result of abundant international supplies. Warmer than expected weather in the northern hemisphere materially reduced the demand for heating fuels. The DOE advises that the world wide supply of oil outpaced demand by nearly 3.7 million barrels per day in March 1998. Inventories of crude, gasoline, and distillate fuels were higher than a year ago.

Federal and Indian oil royalties dropped 35 percent, or \$165.4 million, from \$472 million in the first quarter of CY 1997 to \$306.7 million in the first quarter of CY 1998 (tables 3 and 4, and figure 3).

Notice

This report is designed to provide a general record of collection activity during the period. Some information in this report necessarily includes estimated data that may change after publication. The report is subsequently not intended to be a final accounting of collections or disbursements. Detailed disbursement information is available to all States through explanation of payment reports mailed monthly to each State office. Final annual collection and disbursement information is published in the annual *Mineral Revenues* report.

Selected sales volume and sales value data in this report have not been adjusted to resolve distortions created by payors reporting on communitization or unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Sales volume and sales value information in the annual *Mineral Revenues* report is adjusted to accommodate these types of distortions. Time and resource constraints preclude adjustments in this quarterly report series.

Indian nonstandard lease and agreement collections are not available in the first three quarters of the year. These collections are subsequently added into the fourth quarter of each year in this report. Complete Indian nonstandard lease and agreement collections are published in the annual *Mineral Revenues* report.

About This Report

The Mineral Revenue Collections report provides information addressing royalty, rent, bonus, and other revenue receipts from Federal and Indian leases. The Minerals Management Service (MMS) Royalty Management Program distributes the report on a quarterly basis to Congressional, Federal, State, Indian, and industry representatives.

Some information in this report necessarily includes estimated data that may change after publication. Numbers in parentheses may include current year collections, credits, and prior-year adjustments.

Mineral Lease Revenues

The report addresses four types of lease revenues: bonuses, rents, minimum royalties, and royalties.

- **Bonuses** — Leases issued in areas known to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to a lease.
- **Rents** — A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the rights to a lease while the lease is not in production.
- **Minimum Royalties** — A Federal lease may further contain a minimum royalty provision. Minimum royalty is the annual payment, on a per acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that year.

Minimum royalties are included under the entry “Other Revenues” in this report. “Other Revenues” include settlement payments, gas storage fees, estimated payments, and recoupments in addition to minimum royalties.

- **Royalties** — A royalty is due when production begins. Royalty payments represent a stated share or percentage of the amount or the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

Sales Volume and Sales Value

Sales volume represents the quantity reported sold during the year. Sales value represents the dollar value of the commodity reported sold during the year.

Selected sales volume and sales value figures in the annual ***Mineral Revenues*** report are adjusted to resolve distortions created by payors reporting on communitization and unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Time and resource constraints preclude a similar adjustment of sales volume and sales value in this quarterly report series.

Revenue Collections and Disbursements

Revenues collected from mineral leases on Federal lands are distributed to States, to the U.S. Department of the Treasury (Treasury), and to a number of designated special-purpose accounts administered by Federal agencies, depending on the land category and the applicable law involved. The Bureau of Indian Affairs (BIA) disburses revenues collected from Indian leases to the appropriate Indian Tribes and allottees.

Royalty payments are generally due on the last day of the month following the month of production, unless

that day falls on a weekend or holiday. Payments are then due on the first business day of the following month.

Since 1983, MMS has generally disbursed mineral revenues derived from leases on public domain lands and shared with the States in the month following receipt of the payment. Disbursements are made under the provisions of section 104 of the Federal Oil and Gas Royalty Management Act of 1982 which amended the revenue disbursement provisions of the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 191. The MMS deposits Indian revenues in accounts administered by the Office of Trust Funds Management (OTFM) where they are invested and subsequently distributed to Indian Tribes and allottees by BIA. Since revenues collected in one month are disbursed in the following month, collection totals in a given year will not equal disbursement totals for the same year.

The MMS administers mineral leases from different land categories. Legislation and regulations govern formulas for the disbursement of revenues from these leases.

- **Offshore Lands** — Royalty, rent, and bonus revenues from Federal offshore mineral leases on the Outer Continental Shelf (OCS) are deposited to the General Fund of the Treasury through miscellaneous receipts. Under other applicable laws, specified amounts from total offshore revenues are transferred to the Land and Water Conservation Fund (LWCF) and the National Historic Preservation Fund (NHPF).

The LWCF, primarily administered by the National Park Service, provides revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Offshore mineral leasing provides approximately 70-90 percent of LWCF revenues.

The NHPF, administered by the National Park Service, is designed to expand and accelerate historic preservation plans and activities. The NHPF provides revenues for matching grants-in-aid to States and local governments, and funds

the National Trust for Historic Preservation. Offshore mineral leasing provides 100 percent of NHPF revenues.

Section 8(g) of the Outer Continental Shelf Lands Act (OCSLA) Amendments of 1978 provided that the States were to receive a “fair and equitable” division of revenues generated from the leasing of lands within 3 miles of the seaward boundary of a coastal State containing one or more oil and gas pools or fields underlying both the OCS and lands subject to the jurisdiction of the State.

The States and the Federal Government, however, could not reach agreement concerning the meaning of the term “fair and equitable.” Revenues generated within the 3-mile boundary were placed into an escrow fund beginning in August 1979. Revenues from the Beaufort Sea in Alaska were placed into a second escrow fund under section 7, beginning in December 1979.

Congress resolved the dispute over the meaning of “fair and equitable” in the OCSLA Amendments of 1985, Public Law 99-272. The law provides for the following distribution of section 8(g) revenues to the States:

- Disbursement of escrow funds in Fiscal Years (FY) 1986-87;
- A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and
- Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State’s 8(g) zone.

Congress passed a second law, Public Law 100-202, permitting distribution of \$322.9 million in section 7 Beaufort Sea escrow funds to Alaska in FY 1988.

- **Public Domain Lands** — The majority of Federal lands are in the public domain. Under section 35 of MLA, States other than Alaska receive 50 percent of all royalties, rents, and bonuses collected from any public domain leases located within their respective boundaries.

Forty percent of remaining mineral revenues is deposited in the Reclamation Fund administered by the Bureau of Reclamation. The Reclamation Fund provides revenues to build, maintain, and operate water and associated power projects on arid and semiarid Western lands. Federal onshore mineral leasing provides approximately 40-50 percent of Reclamation Fund revenues.

The remaining ten percent of mineral revenues from public domain leases is directed into the General Fund of the Treasury through miscellaneous receipts.

Alaska receives 90 percent of all royalties, rents, and bonuses paid for mineral production on public domain leases in Alaska. The State also receives 50 percent of all mineral revenues generated from the National Petroleum Reserve Alaska.

- **Acquired Lands** — The MMS collects all royalties, rents, and bonuses from leases issued under the Mineral Leasing Act for Acquired Lands of 1947, 30 U.S.C. 351 *et seq.*, on behalf of a number of Federal agencies. Revenues are disbursed according to laws applicable to the lands.

Seventy-five percent of mineral receipts from leases on acquired lands within a national forest administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the State in which the lease is located.

Seventy-five percent of mineral revenues from leases on acquired lands within a national grassland administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the county in which the lease is located.

Seventy-five percent of mineral receipts from acquired Flood Control Act lands administered by the U.S. Army Corps of Engineers is distributed to the State in which the lease is located. The remaining 25 percent is distributed to the General Fund of the Treasury.

Mineral revenues derived from leases on acquired National Wildlife Refuge lands are shared with the

county in which the lease is located, according to one of three alternative formulas prescribed by statute. The remainder is deposited in the General Fund of the Treasury.

All mineral receipts generated from leases on acquired reclamation project lands are paid to the Reclamation Fund.

Mineral revenues collected from leases on acquired military lands issued before 1981 are deposited in the General Fund of the Treasury. Revenues collected from mineral leases on acquired military lands issued beginning January 1, 1981, are disbursed in the same manner as revenues from public domain leases.

Receipts from other acquired lands are deposited in a general Treasury account.

- **Indian Lands** — The BIA collects bonuses and rents from nonproducing leases. The MMS disburses mineral royalties and rents from producing Indian Tribal and allotted leases to OTFM. The BIA subsequently makes disbursements to Tribes and to individual Indian allottees, with the following exceptions:
 - Oil and gas payments to four Tribes—the Jicarilla Apache, the Blackfeet, the Navajo Nation, and the Southern Ute—are made directly by the lease payor to financial institutions contracted by the Tribes to receive their mineral payments.
 - The BIA has authorized payors to make direct payments to selected individual Indian allottees.
 - The Osage Nation manages all mineral leases on its Tribal lands and collects its own revenues.
 - Solid mineral royalties are paid directly to the applicable Tribes or to a designated BIA office.
- **Alaska Native Lands** — Payments to the Cook Inlet Region, Inc., in Alaska on behalf of Alaskan Natives for the interests the region holds in several former Federal leases, are made directly by lease payors to the corporation.

Products and Units of Measurement

| Product | Unit of Measurement |
|---|-----------------------------------|
| Amethyst | Grams |
| Carbon Dioxide | Mcf (thousand cubic feet) |
| Coal | Short tons (2,000 pounds) |
| Copper | Short tons |
| Garnet Gem | Kilograms |
| Gas | Mcf |
| Gas Plant Products | Gallons |
| Geothermal and Heated Water Sources | Millions of British thermal units |
| Helium | Mcf |
| Nitrogen | Mcf |
| Oil | Barrels (42 U.S. gallons) |
| Phosphate | Short tons |
| Potash | Short tons |
| Quartz Crystals | Pounds |
| Sand and Gravel | Short tons |
| Sodium | Short tons |
| Sulfur | Short tons |
| All Other Solid Minerals | Short tons |

NOTE: Sulfur is reported as either a fluid or solid mineral based on the method of extraction. Fluid mineral sulfur is produced by extracting the product from the oil and gas stream. All onshore sulfur and a limited amount of offshore sulfur are currently produced from the oil and gas stream. Solid mineral sulfur is extracted using the Frasch process. The majority of offshore sulfur is produced using the Frasch mining method.

Copper reported in pounds and sulfur reported in long tons have been converted to short tons in this report.

Sodium product figures include sodium borate and carbonate compounds.

National Summary



Photo courtesy of BP Amoco

Table 1. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1998

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|-------------------------|-------------------------|-------------------|------------------|-------------------|-------------------------|
| Coal Royalties | \$ 92,882,726 | \$ --- | \$ --- | \$ --- | \$ 92,882,726 |
| Gas Royalties | 673,146,192 | --- | --- | --- | 673,146,192 |
| Oil Royalties | 306,689,208 | --- | --- | --- | 306,689,208 |
| Other Royalties . . . | <u>41,833,431</u> | <u>---</u> | <u>---</u> | <u>---</u> | <u>41,833,431</u> |
| Royalty Subtotal | \$ 1,114,551,557 | \$ --- | \$ --- | \$ --- | \$ 1,114,551,557 |
| Rents | \$ 33,575,228 | \$ --- | \$ --- | \$ --- | \$ 33,575,228 |
| Bonuses | \$ 416,809,336 | \$ --- | \$ --- | \$ --- | \$ 416,809,336 |
| Other Revenues . . | <u>\$ (31,973,802)</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ (31,973,802)</u> |
| Total | \$ 1,532,962,319 | \$ --- | \$ --- | \$ --- | \$ 1,532,962,319 |

Table 2. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1997

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Coal Royalties | \$ 88,933,826 | \$ 79,937,512 | \$ 96,310,576 | \$ 86,996,830 | \$ 352,178,744 |
| Gas Royalties | 801,295,845 | 652,828,009 | 550,080,852 | 653,756,149 | 2,657,960,855 |
| Oil Royalties | 472,049,840 | 352,488,535 | 375,684,052 | 405,544,315 | 1,605,766,742 |
| Other Royalties . . . | <u>61,403,600</u> | <u>49,037,476</u> | <u>44,540,468</u> | <u>48,314,679</u> | <u>203,296,223</u> |
| Royalty Subtotal | \$ 1,423,683,111 | \$ 1,134,291,532 | \$ 1,066,615,948 | \$ 1,194,611,973 | \$ 4,819,202,564 |
| Rents | \$ 22,425,155 | \$ 54,698,332 | \$ 64,054,622 | \$ 58,810,123 | \$ 199,988,232 |
| Bonuses | \$ 256,231,663 | \$ 131,352,856 | \$ 714,516,037 | \$ 228,924,847 | \$ 1,331,025,403 |
| Other Revenues . . | <u>\$ 96,370,001</u> | <u>\$ (59,997,648)</u> | <u>\$ 4,901,875</u> | <u>\$ 98,632,350</u> | <u>\$ 139,906,578</u> |
| Total | \$ 1,798,709,930 | \$ 1,260,345,072 | \$ 1,850,088,482 | \$ 1,580,979,293 | \$ 6,490,122,777 |

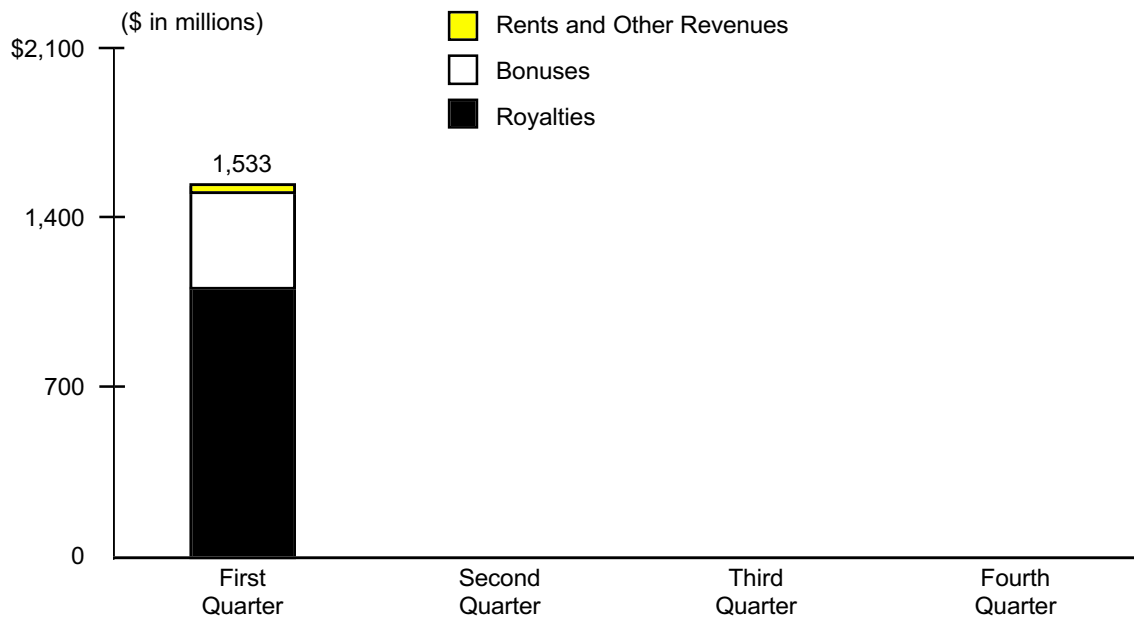
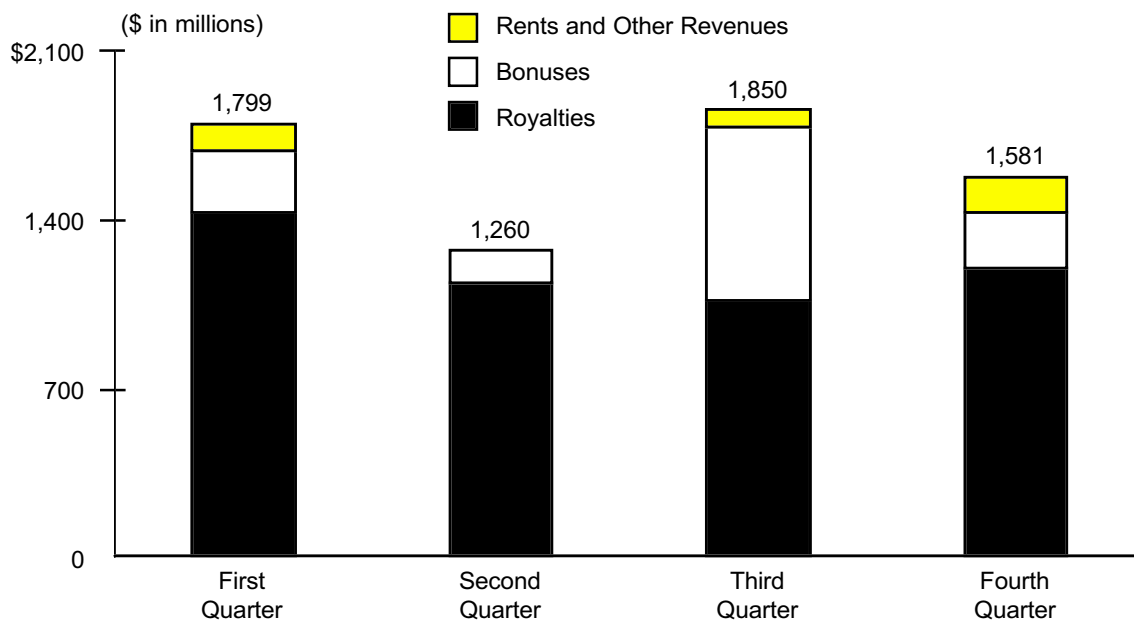
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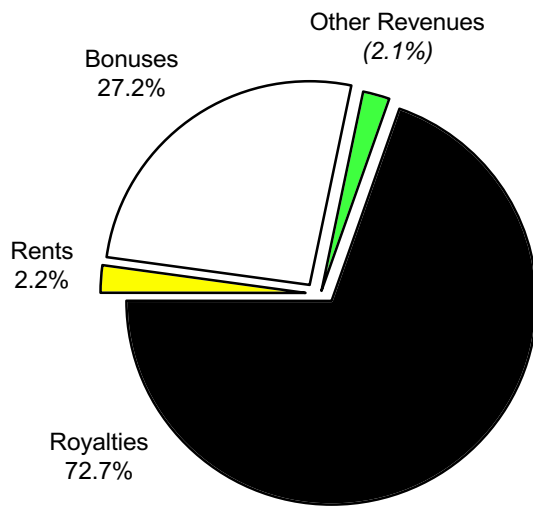
Figure 1. Revenues by source from Federal and Indian mineral leases, by quarter, Calendar Years 1997 and 1998

Table 3. Revenues from Federal and Indian mineral leases, January - March, 1998

| | Federal Offshore | Federal Onshore | Indian | Total |
|---------------------------|------------------------|-----------------------|----------------------|-------------------------|
| Coal Royalties | \$ --- | \$ 77,805,892 | \$ 15,076,834 | \$ 92,882,726 |
| Gas Royalties | 532,020,128 | 120,712,823 | 20,413,241 | 673,146,192 |
| Oil Royalties | 257,116,918 | 40,724,119 | 8,848,171 | 306,689,208 |
| Other Royalties | <u>16,029,844</u> | <u>24,001,979</u> | <u>1,801,608</u> | <u>41,833,431</u> |
| Royalty Subtotal . . . | \$ 805,166,890 | \$ 263,244,813 | \$ 46,139,854 | \$ 1,114,551,557 |
| Rents | \$ 23,098,324 | \$ 10,308,170 | \$ 168,734 | \$ 33,575,228 |
| Bonuses | \$ 384,415,416 | \$ 32,393,920 | \$ --- | \$ 416,809,336 |
| Other Revenues | \$ <u>(33,276,075)</u> | \$ <u>322,401</u> | \$ <u>979,872</u> | \$ <u>(31,973,802)</u> |
| Total | \$1,179,404,555 | \$ 306,269,304 | \$ 47,288,460 | \$ 1,532,962,319 |

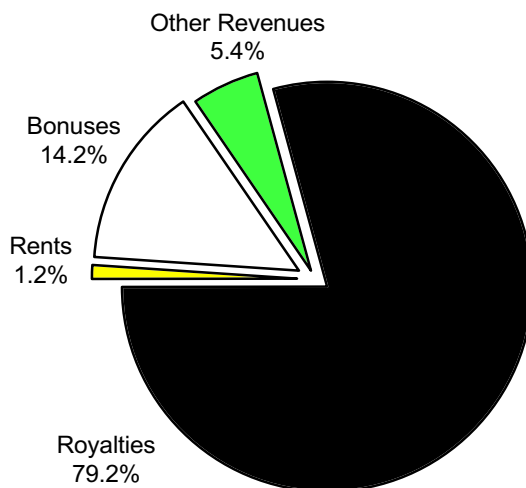
Table 4. Revenues from Federal and Indian mineral leases, January - March, 1997

| | Federal Offshore | Federal Onshore | Indian | Total |
|---------------------------|------------------------|----------------------|---------------------|-------------------------|
| Coal Royalties | \$ --- | \$ 73,191,736 | \$ 15,742,090 | \$ 88,933,826 |
| Gas Royalties | 632,254,850 | 148,763,470 | 20,277,525 | 801,295,845 |
| Oil Royalties | 396,181,827 | 62,927,696 | 12,940,317 | 472,049,840 |
| Other Royalties | <u>32,628,739</u> | <u>26,729,641</u> | <u>2,045,220</u> | <u>61,403,600</u> |
| Royalty Subtotal . . . | \$1,061,065,416 | \$311,612,543 | \$51,005,152 | \$ 1,423,683,111 |
| Rents | \$ 12,783,858 | \$ 9,487,892 | \$ 153,405 | \$ 22,425,155 |
| Bonuses | \$ 219,513,134 | \$ 36,718,529 | \$ --- | \$ 256,231,663 |
| Other Revenues | \$ <u>78,380,488</u> | \$ <u>16,851,161</u> | \$ <u>1,138,352</u> | \$ <u>96,370,001</u> |
| Total | \$1,371,742,896 | \$374,670,125 | \$52,296,909 | \$ 1,798,709,930 |



| | |
|----------------|---------------------|
| Royalties | \$1,114,551,557 |
| Rents | 33,575,228 |
| Bonuses | 416,809,336 |
| Other Revenues | <u>(31,973,802)</u> |
| Total | \$1,532,962,319 |

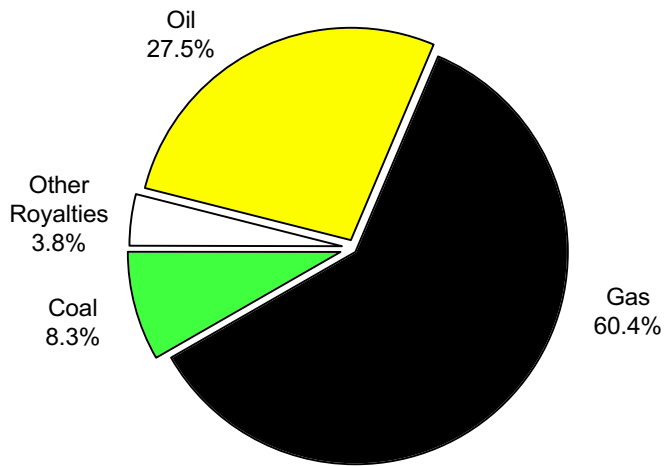
January - March, 1998



| | |
|----------------|-------------------|
| Royalties | \$1,423,683,111 |
| Bonuses | 256,231,663 |
| Rents | 22,425,155 |
| Other Revenues | <u>96,370,001</u> |
| Total | \$1,798,709,930 |

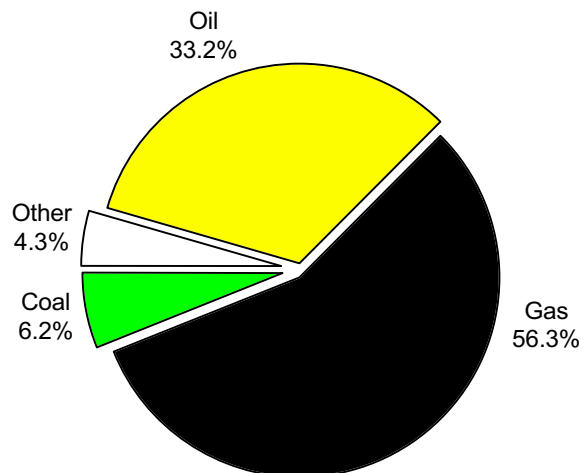
January - March, 1997

Figure 2. Revenues from Federal and Indian mineral leases by source, January - March, 1997 and 1998



| | |
|-----------------|-----------------|
| Coal | \$ 92,882,726 |
| Gas | 673,146,192 |
| Oil | 306,689,208 |
| Other Royalties | 41,833,431 |
| Total | \$1,114,551,557 |

January - March, 1998



| | |
|-----------------|-----------------|
| Coal | \$ 88,933,826 |
| Gas | 801,295,845 |
| Oil | 472,049,840 |
| Other Royalties | 61,403,600 |
| Total | \$1,423,683,111 |

January - March, 1997

Figure 3. Royalties from Federal and Indian mineral leases by commodity, January - March, 1997 and 1998

Offshore Federal Mineral Revenues



Photo courtesy of Global Marine Inc.

Table 5. Revenues from OCS mineral leases, by quarter, Calendar Year 1998

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|---------------------------|------------------------|-------------------|------------------|-------------------|------------------------|
| Coal Royalties \$ | --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Gas Royalties | 532,020,128 | --- | --- | --- | 532,020,128 |
| Oil Royalties | 257,116,918 | --- | --- | --- | 257,116,918 |
| Other Royalties . . . | <u>16,029,844</u> | <u>---</u> | <u>---</u> | <u>---</u> | <u>16,029,844</u> |
| Royalty Subtotal . | \$ 805,166,890 | \$ --- | \$ --- | \$ --- | \$ 805,166,890 |
| Rents | \$ 23,098,324 | \$ --- | \$ --- | \$ --- | \$ 23,098,324 |
| Bonuses | \$ 384,415,416 | \$ --- | \$ --- | \$ --- | \$ 384,415,416 |
| Other Revenues . . | <u>\$ (33,276,075)</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ (33,276,075)</u> |
| Total | \$1,179,404,555 | \$ --- | \$ --- | \$ --- | \$1,179,404,555 |

Table 6. Revenues from OCS mineral leases, by quarter, Calendar Year 1997

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Coal Royalties \$ | --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Gas Royalties | 632,254,850 | 519,518,970 | 437,692,032 | 511,529,600 | 2,100,995,452 |
| Oil Royalties | 396,181,827 | 292,423,660 | 316,228,536 | 338,732,514 | 1,343,566,537 |
| Other Royalties . . . | <u>32,628,739</u> | <u>21,524,441</u> | <u>18,326,245</u> | <u>22,422,561</u> | <u>94,901,986</u> |
| Royalty Subtotal | \$1,061,065,416 | \$833,467,071 | \$ 772,246,813 | \$ 872,684,675 | \$3,539,463,975 |
| Rents | \$ 12,783,858 | \$ 45,558,395 | \$ 54,570,063 | \$ 49,412,081 | \$ 162,324,397 |
| Bonuses | \$ 219,513,134 | \$117,626,174 | \$ 693,275,329 | \$ 214,635,262 | \$1,245,049,899 |
| Other Revenues . . | <u>\$ 78,380,488</u> | <u>\$ (57,203,391)</u> | <u>\$ 2,614,916</u> | <u>\$ 56,933,894</u> | <u>\$ 80,725,907</u> |
| Total | \$1,371,742,896 | \$939,448,249 | \$1,522,707,121 | \$1,193,665,912 | \$5,027,564,178 |

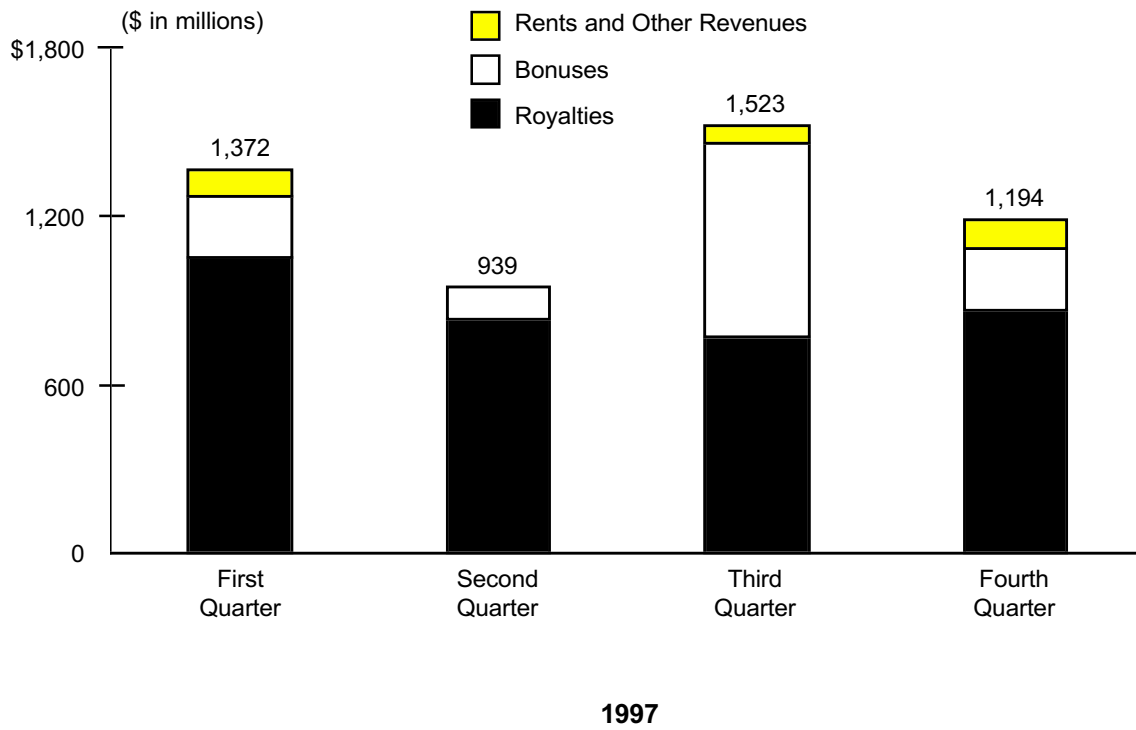
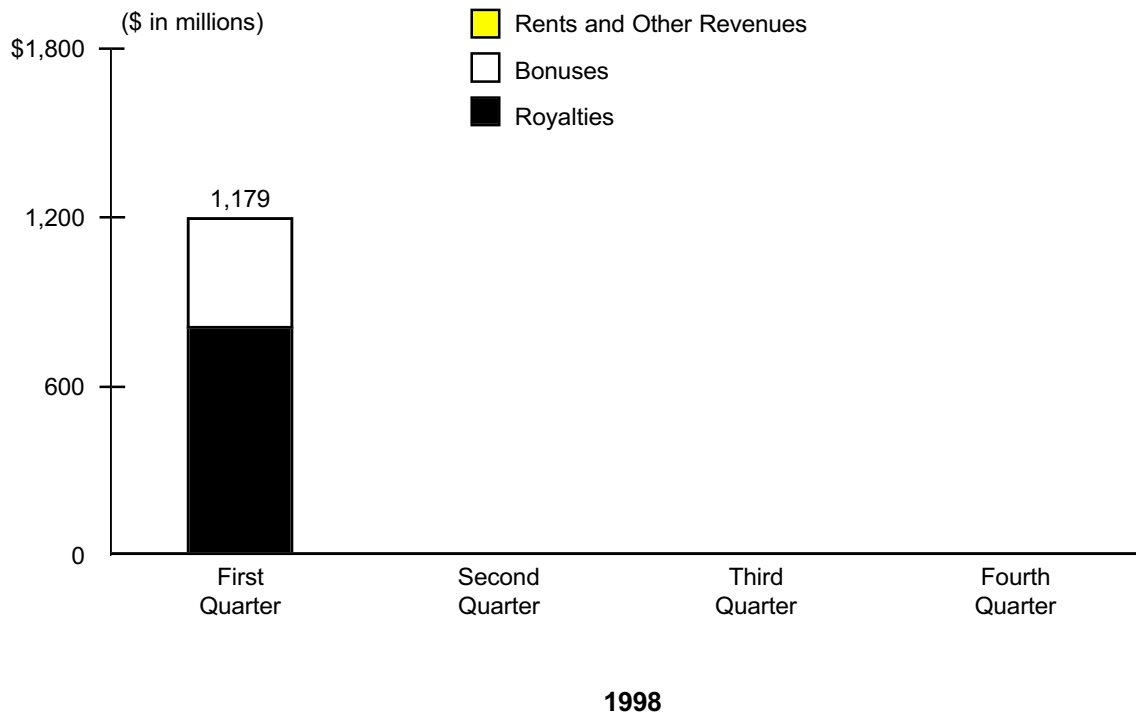


Figure 4. Revenues by source from OCS mineral leases, by quarter, Calendar Years 1997 and 1998

Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - March, 1998

| | Sales Volume | Sales Value | Royalties/ Revenues |
|----------------------------|--------------------|------------------------|------------------------|
| Gas | | | |
| Alabama | 30,110,573 | \$ 88,554,177 | \$ 14,564,285 |
| California | 6,498,584 | 18,231,806 | 2,524,929 |
| Gulf of Mexico | 1,736,970 | 5,238,345 | 828,997 |
| Louisiana | 906,234,148 | 2,636,653,339 | 410,748,360 |
| Mississippi | 3,673,759 | 10,502,711 | 1,742,745 |
| Texas | <u>203,931,893</u> | <u>587,056,373</u> | <u>101,610,812</u> |
| Subtotal | 1,152,185,927 | \$3,346,236,751 | \$532,020,128 |
| Gas Lost | | | |
| California | --- | \$ --- | \$ --- |
| Gulf of Mexico | --- | --- | --- |
| Louisiana | <u>4,767</u> | <u>14,284</u> | <u>1,841</u> |
| Subtotal | 4,767 | \$ 14,284 | \$ 1,841 |
| Gas Plant Products | | | |
| Alabama | 301,994 | \$ 83,222 | \$ 8,117 |
| California | 7,734,524 | 3,266,961 | 145,604 |
| Louisiana | 269,218,322 | 97,320,196 | 12,484,767 |
| Texas | <u>27,402,212</u> | <u>7,565,269</u> | <u>1,037,762</u> |
| Subtotal | 304,657,052 | \$ 108,235,648 | \$ 13,676,250 |
| Oil | | | |
| Alabama | 5,074 | \$ 44,691 | \$ 7,360 |
| California | 9,847,221 | 98,920,724 | 14,565,620 |
| Gulf of Mexico | 4,107 | 76,053 | 12,293 |
| Louisiana | 94,075,629 | 1,569,057,467 | 230,409,134 |
| Texas | <u>4,455,527</u> | <u>77,071,037</u> | <u>12,122,511</u> |
| Subtotal | 108,387,558 | \$1,745,169,972 | \$257,116,918 |
| Oil Lost | | | |
| Louisiana | --- | \$ --- | \$ --- |
| Texas | <u>---</u> | <u>---</u> | <u>---</u> |
| Subtotal | --- | \$ --- | \$ --- |
| Sulfur | | | |
| Alabama | 5,578 | \$ 296,642 | \$ 28,361 |
| California | 542 | 2,418 | 31 |
| Louisiana | <u>427,127</u> | <u>25,967,900</u> | <u>2,323,361</u> |
| Subtotal | 433,247 | \$ 26,266,960 | \$ 2,351,753 |
| Royalty Total | | \$5,225,923,615 | \$805,166,890 |

Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|----------------------------------|-----------------|----------------|------------------------|
| Rents | | | |
| Alabama | | | \$ --- |
| Alaska | | | 249,544 |
| California | | | --- |
| Florida | | | 30,346 |
| Gulf of Mexico | | | 16,165,290 |
| Louisiana | | | 1,544,219 |
| Mississippi | | | --- |
| Texas | | | 5,108,925 |
| Rent Total | | | \$ 23,098,324 |
| Bonuses | | | |
| Alabama | | | \$ --- |
| Alaska | | | --- |
| Gulf of Mexico | | | 333,075,645 |
| Louisiana | | | --- |
| Mississippi | | | --- |
| Texas | | | 51,339,771 |
| Bonus Total | | | \$ 384,415,416 |
| Other Revenues | | | |
| Alabama | | | \$ (402,009) |
| Alaska | | | --- |
| California | | | (103,562) |
| Gulf of Mexico | | | 638,800 |
| Louisiana | | | (26,433,895) |
| Mississippi | | | (29,998) |
| Texas | | | (6,945,411) |
| Other Revenue Total | | | \$ (33,276,075) |
| Total Revenues | | | \$1,179,404,555 |

NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in Section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries are listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State. Oil revenues in Alaska represent production from offshore test site.

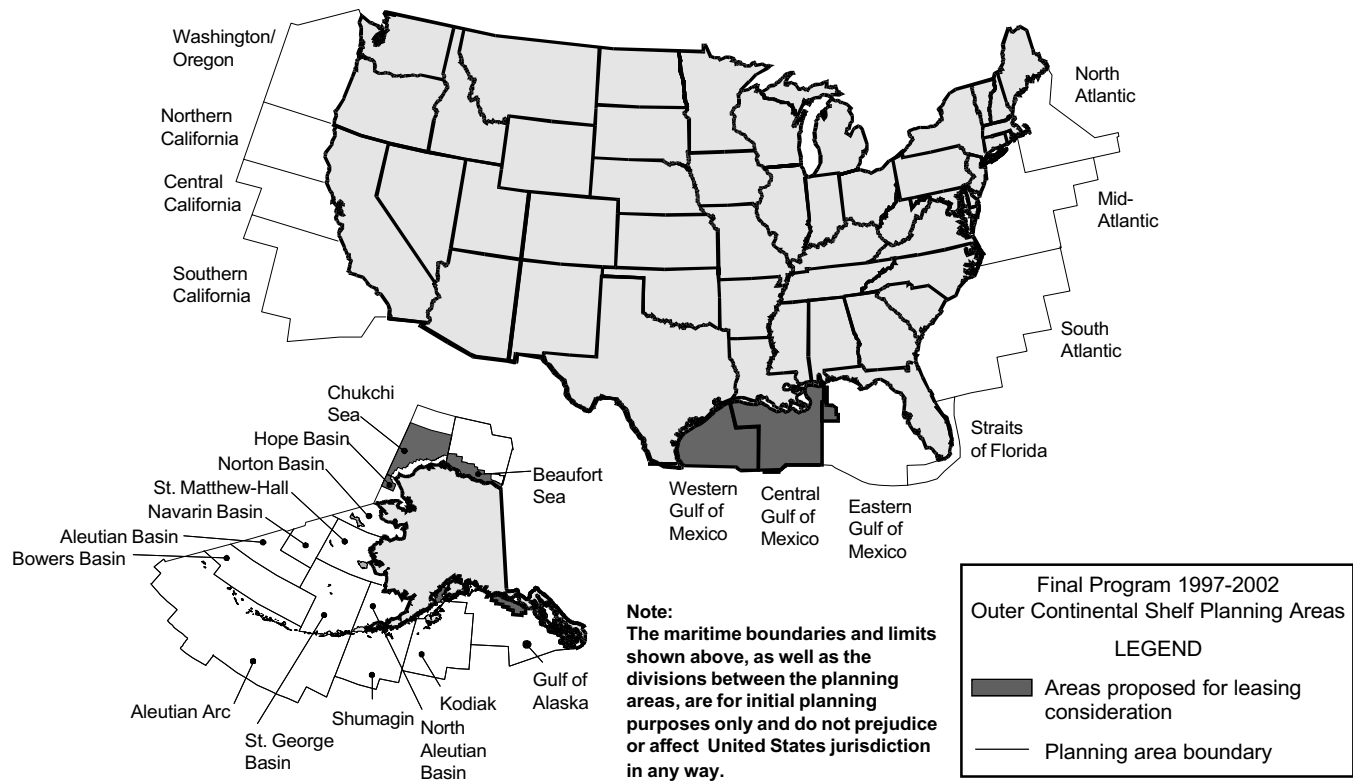


Fig. 5. Map of OCS regions in current OCS oil and gas leasing program

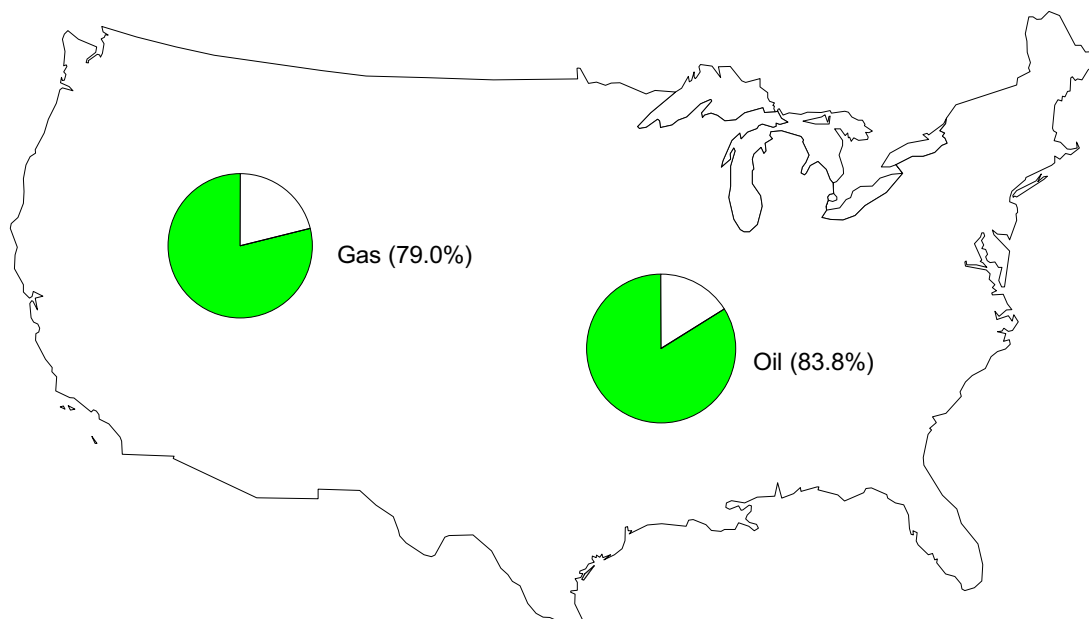
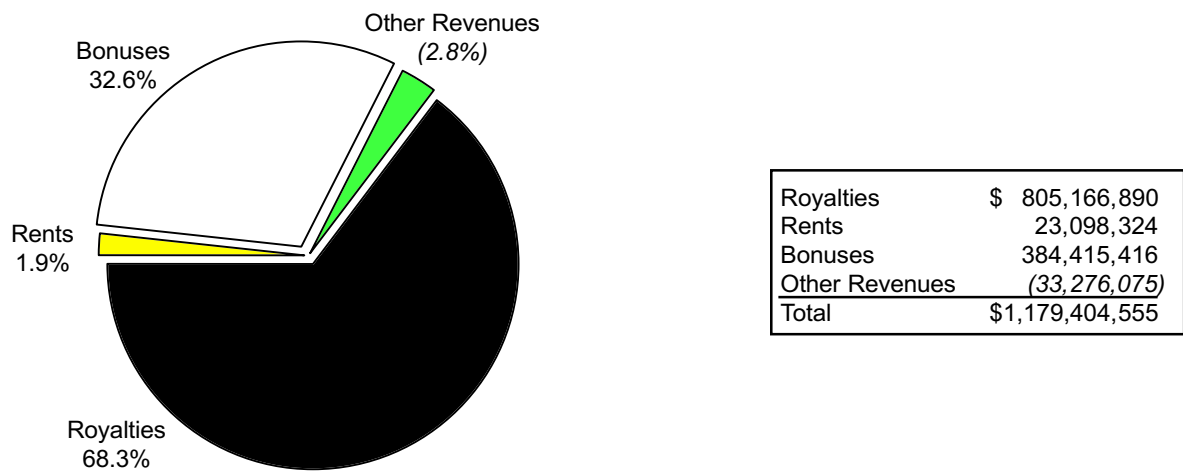
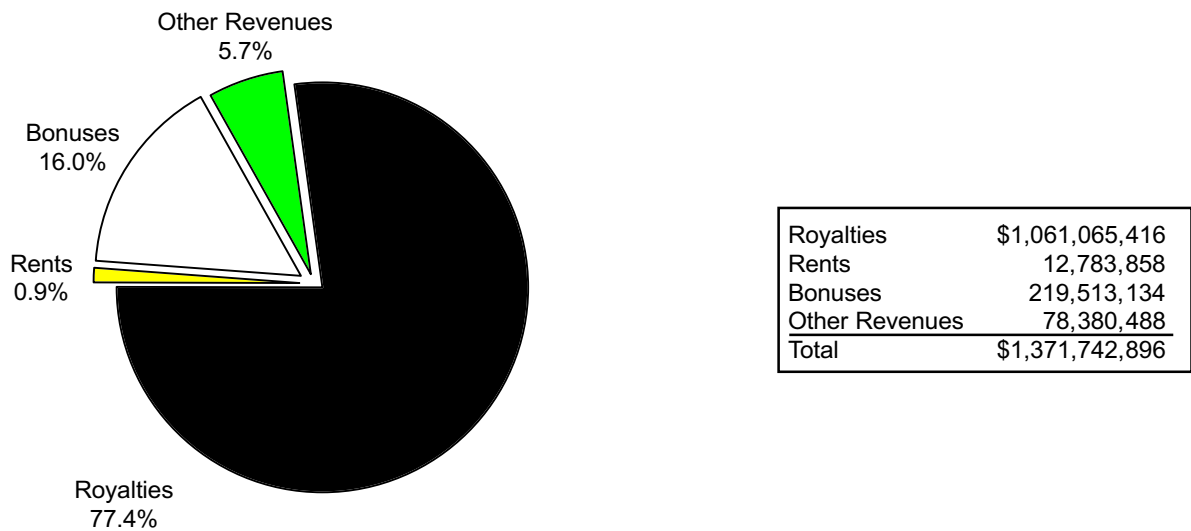


Figure 6. OCS royalties as a percentage of total Federal and Indian royalties from oil and gas, January - March, 1998

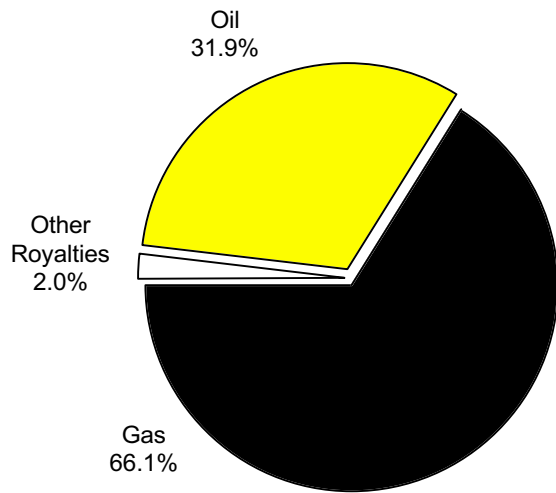


January - March, 1998



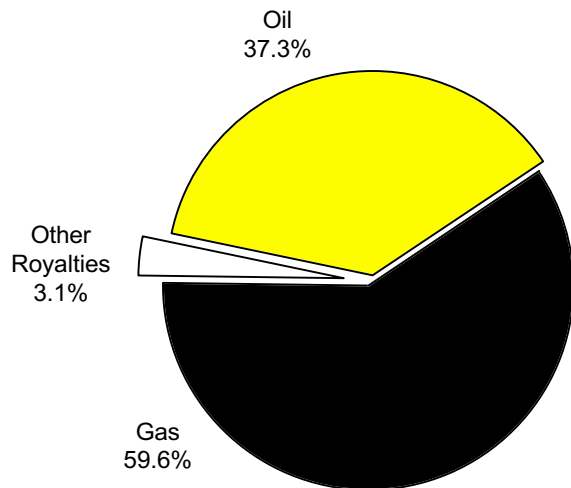
January - March, 1997

Figure 7. Revenues from OCS mineral leases by source, January - March, 1997 and 1998



| | |
|-----------------|----------------------|
| Gas | \$532,020,128 |
| Oil | 257,116,918 |
| Other Royalties | 16,029,844 |
| Total | \$805,166,890 |

January - March, 1998



| | |
|-----------------|------------------------|
| Gas | \$ 632,254,850 |
| Oil | 396,181,827 |
| Other Royalties | 32,628,739 |
| Total | \$1,061,065,416 |

January - March, 1997

Figure 8. Royalties from OCS mineral leases by commodity, January - March, 1997 and 1998

Onshore Federal Mineral Revenues



Photo courtesy of Corel Corporation

Table 8. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1998

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|-------------------------|----------------------|-------------------|------------------|-------------------|-----------------------|
| Coal Royalties | \$ 77,805,892 | \$ --- | \$ --- | \$ --- | \$ 77,805,892 |
| Gas Royalties | 120,712,823 | --- | --- | --- | 120,712,823 |
| Oil Royalties | 40,724,119 | --- | --- | --- | 40,724,119 |
| Other Royalties . . . | <u>24,001,979</u> | <u>---</u> | <u>---</u> | <u>---</u> | <u>24,001,979</u> |
| Royalty Subtotal | \$263,244,813 | \$ --- | \$ --- | \$ --- | \$ 263,244,813 |
| Rents | \$ 10,308,170 | \$ --- | \$ --- | \$ --- | \$ 10,308,170 |
| Bonuses | \$ 32,393,920 | \$ --- | \$ --- | \$ --- | \$ 32,393,920 |
| Other Revenues . . | <u>\$ 322,401</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 322,401</u> |
| Total | \$306,269,304 | \$ --- | \$ --- | \$ --- | \$ 306,269,304 |

Table 9. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1997

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|-------------------------|----------------------|-----------------------|----------------------|----------------------|------------------------|
| Coal Royalties | \$ 73,191,736 | \$ 65,357,169 | \$ 78,787,232 | \$ 68,215,973 | \$ 285,552,110 |
| Gas Royalties | 148,763,470 | 114,382,016 | 96,405,933 | 117,004,201 | 476,555,620 |
| Oil Royalties | 62,927,696 | 49,716,517 | 48,986,289 | 52,031,318 | 213,661,820 |
| Other Royalties . . . | <u>26,729,641</u> | <u>24,954,934</u> | <u>24,473,628</u> | <u>22,564,145</u> | <u>98,722,348</u> |
| Royalty Subtotal | \$311,612,543 | \$254,410,636 | \$248,653,082 | \$259,815,637 | \$1,074,491,898 |
| Rents | \$ 9,487,892 | \$ 8,707,764 | \$ 9,360,856 | \$ 9,169,230 | \$ 36,725,742 |
| Bonuses | \$ 36,718,529 | \$ 13,726,682 | \$ 21,240,708 | \$ 14,289,585 | \$ 85,975,504 |
| Other Revenues . . | <u>\$ 16,851,161</u> | <u>\$ (2,854,398)</u> | <u>\$ 2,066,950</u> | <u>\$ 35,498,584</u> | <u>\$ 51,562,297</u> |
| Total | \$374,670,125 | \$273,990,684 | \$281,321,596 | \$318,773,036 | \$1,248,755,441 |

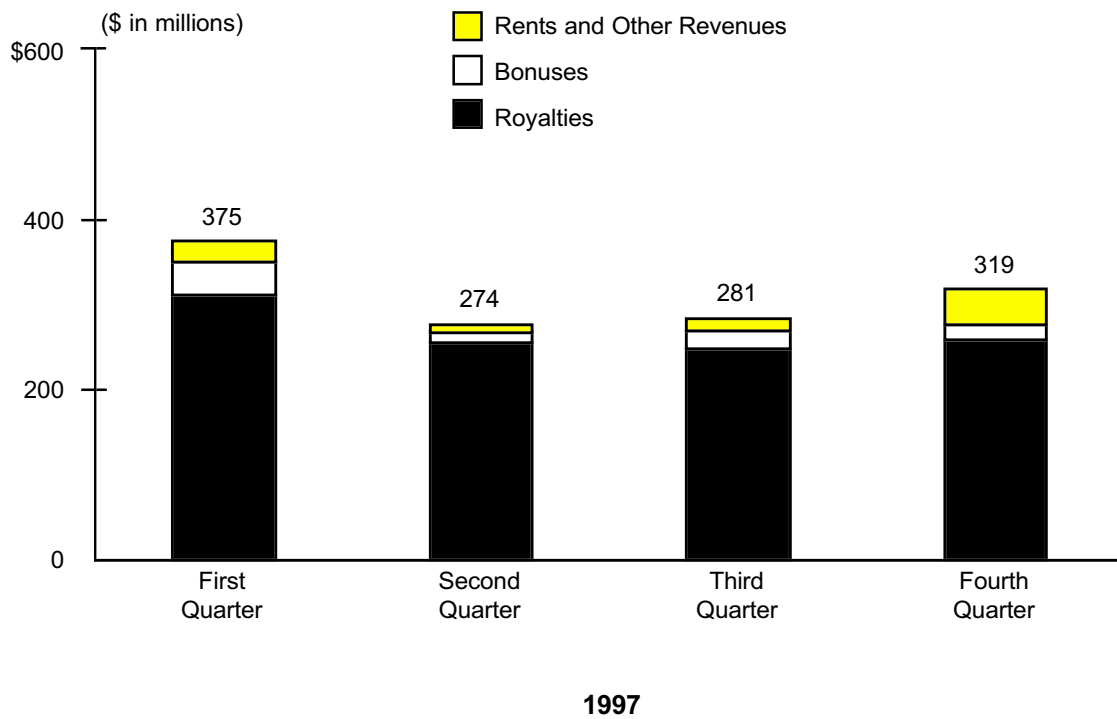
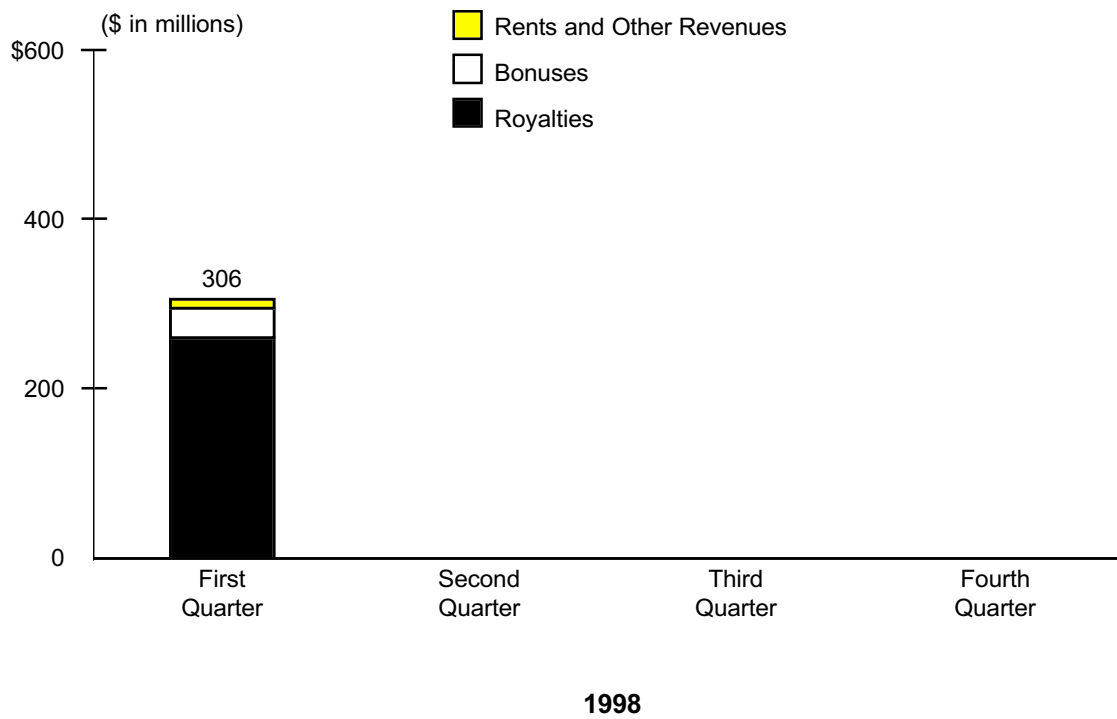


Figure 9. Revenues by source from Federal onshore mineral leases, by quarter, Calendar Years 1997 and 1998

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998

| | Sales Volume | Sales Value | Royalties/ Revenues |
|-----------------------|-----------------|----------------|------------------------|
| Carbon Dioxide | | | |
| Colorado | 71,106,719 | \$ 48,342,305 | \$ 2,783,645 |
| New Mexico | 2,766,974 | 1,013,712 | 125,859 |
| Wyoming | 5,404,970 | 1,442,268 | 1,817 |
| Subtotal | 79,278,663 | \$ 50,798,285 | \$ 2,911,321 |
| Clay | | | |
| Alabama | 17,535 | \$ 35,070 | \$ 1,403 |
| Wyoming | --- | --- | --- |
| Subtotal | 17,535 | \$ 35,070 | \$ 1,403 |
| Coal | | | |
| Alabama | 371,456 | \$ 17,456,901 | \$ 1,279,925 |
| Colorado | 5,528,483 | 105,894,433 | 8,875,191 |
| Kentucky | 19,566 | 475,653 | 28,682 |
| Montana | 5,040,446 | 51,126,545 | 6,094,126 |
| New Mexico | 786,077 | 23,778,816 | 2,889,126 |
| North Dakota | 361,511 | 3,166,186 | 304,466 |
| Oklahoma | 215,838 | 5,956,203 | 170,683 |
| Utah | 7,876,404 | 176,909,208 | 12,009,067 |
| Washington | 322,282 | 11,476,079 | 848,881 |
| Wyoming | 67,944,866 | 374,199,763 | 45,305,745 |
| Subtotal | 88,466,929 | \$ 770,439,787 | \$ 77,805,892 |
| Copper | | | |
| Missouri | 6,995 | \$ 2,821,181 | \$ 58,652 |
| Fluorspar | | | |
| Illinois | --- | \$ --- | \$ --- |
| Gas | | | |
| Alabama | 217,535 | \$ 523,184 | \$ 65,567 |
| Alaska | 4,373,534 | 7,451,197 | 957,070 |
| Arkansas | 2,654,234 | 6,692,556 | 899,478 |
| California | 2,594,462 | 7,182,268 | 770,911 |
| Colorado | 20,135,632 | 47,069,355 | 5,473,670 |
| Kansas | 4,508,223 | 11,116,704 | 1,386,278 |
| Kentucky | 76,938 | 185,084 | 22,983 |
| Louisiana | 4,591,903 | 13,532,449 | 1,780,890 |
| Michigan | 1,134,570 | 3,131,536 | 388,637 |
| Mississippi | 225,191 | 720,489 | 84,101 |
| Montana | 3,017,451 | 6,994,014 | 852,915 |
| New Mexico | 232,179,715 | 563,040,730 | 64,533,741 |

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|---------------------------|--------------------|--------------------|------------------------|
| Gas (cont.) | | | |
| New York | 7,510 | \$ 23,540 | \$ 2,942 |
| North Dakota | 988,806 | 1,699,841 | 204,249 |
| Ohio | 170,920 | 474,553 | 59,788 |
| Oklahoma | 3,228,208 | 8,953,769 | 1,092,593 |
| Pennsylvania | 22,160 | 47,644 | 6,046 |
| South Dakota | 89,834 | 182,458 | 22,349 |
| Tennessee | --- | --- | --- |
| Texas | 11,855,139 | 28,763,353 | 3,482,190 |
| Utah | 21,987,392 | 42,435,666 | 4,387,848 |
| Virginia | 99,774 | 275,290 | 34,260 |
| West Virginia | 266,734 | 754,056 | 92,798 |
| Wyoming | <u>120,236,615</u> | <u>292,409,606</u> | <u>34,111,519</u> |
| Subtotal | 434,662,480 | \$1,043,659,342 | \$120,712,823 |
| Gas Lost | | | |
| California | 7,007 | \$ 12,066 | \$ 1,508 |
| Colorado | 3,057 | 7,829 | 979 |
| New Mexico | <u>3,358</u> | <u>6,515</u> | <u>814</u> |
| Subtotal | 13,422 | \$ 26,410 | \$ 3,301 |
| Gas Plant Products | | | |
| Alabama | 109 | \$ 39 | \$ 16 |
| Alaska | 774,948 | 299,337 | 35,647 |
| California | 369,708 | 186,288 | 16,735 |
| Colorado | 6,202,700 | 2,009,520 | 157,368 |
| Kansas | 786,345 | 300,454 | 26,694 |
| Louisiana | 3,058,389 | 1,121,931 | 95,164 |
| Michigan | 215,966 | 85,430 | 8,889 |
| Montana | 1,124,171 | 346,754 | 20,187 |
| New Mexico | 152,955,623 | 43,635,684 | 4,111,780 |
| North Dakota | 56,551 | 13,572 | 1,269 |
| Oklahoma | 176,453 | 45,709 | 5,287 |
| Texas | 696,069 | 284,316 | 35,656 |
| Utah | 3,803,139 | 2,110,869 | 144,196 |
| Wyoming | <u>178,291,694</u> | <u>46,355,840</u> | <u>2,716,452</u> |
| Subtotal | 348,511,865 | \$ 96,795,743 | \$ 7,375,340 |
| Geothermal | | | |
| California | 3,104,873 | \$ 30,117,264 | \$ 3,329,102 |
| Nevada | 532,435 | 12,432,349 | 1,243,235 |
| Utah | <u>198,161</u> | <u>465,679</u> | <u>46,568</u> |
| Subtotal | 3,835,469 | \$ 43,015,292 | \$ 4,618,905 |

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|---------------------------|-----------------|----------------|------------------------|
| <i>Gilsonite</i> | | | |
| Utah | 1,044 | \$ 166,976 | \$ 16,698 |
| <i>Helium</i> | | | |
| Kansas | --- | \$ --- | \$ --- |
| <i>Hot Water</i> | | | |
| California | 814,835 | \$ 5,866,810 | \$ 586,681 |
| Nevada | 598 | 2,362 | 236 |
| New Mexico | 2,228 | 2,673 | 267 |
| Subtotal | 817,661 | \$ 5,871,845 | \$ 587,184 |
| <i>Langbeinite</i> | | | |
| New Mexico | 264,396 | \$22,453,782 | \$ 449,076 |
| <i>Lead</i> | | | |
| Missouri | 71,481 | \$31,310,331 | \$ 716,384 |
| <i>Limestone</i> | | | |
| Virginia | 18,042 | \$ 91,652 | \$ 4,583 |
| <i>Magnesium</i> | | | |
| Utah | 6,904 | \$ 125,410 | \$ 3,762 |
| <i>Nitrogen</i> | | | |
| North Dakota | 7,983 | \$ 1,597 | \$ 193 |
| Wyoming | --- | --- | --- |
| Subtotal | 7,983 | \$ 1,597 | \$ 193 |
| <i>Oil</i> | | | |
| Alabama | 21,967 | \$ 330,284 | \$ 34,542 |
| Alaska | 106,445 | 1,772,391 | 219,828 |
| Arkansas | 757 | 14,133 | 1,767 |
| California | 6,991,440 | 89,019,871 | 4,686,801 |
| Colorado | 1,165,494 | 20,367,907 | 2,582,139 |
| Florida | 2,888 | 51,506 | 6,438 |
| Illinois | 7,789 | 127,278 | 13,429 |
| Kansas | 65,067 | 1,107,919 | 119,796 |
| Kentucky | 2,881 | 45,858 | 917 |
| Louisiana | 130,354 | 2,215,555 | 263,030 |
| Michigan | 20,462 | 333,363 | 41,535 |
| Mississippi | 190,364 | 2,561,634 | 294,199 |
| Montana | 685,634 | 10,352,604 | 1,054,124 |
| Nebraska | 14,006 | 274,242 | 34,417 |

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|-------------------------------|------------------|--------------------|------------------------|
| <i>Oil (cont.)</i> | | | |
| Nevada | 196,875 | \$ 2,503,746 | \$ 288,299 |
| New Mexico | 7,275,351 | 123,490,802 | 11,753,899 |
| North Dakota | 1,429,536 | 23,196,256 | 2,860,324 |
| Ohio | 8,519 | 129,165 | 5,821 |
| Oklahoma | 57,177 | 842,397 | 90,323 |
| South Dakota | 59,395 | 997,896 | 119,863 |
| Texas | 164,859 | 2,589,892 | 295,888 |
| Utah | 1,135,538 | 16,637,098 | 1,694,629 |
| West Virginia | 19,116 | 295,325 | 36,915 |
| Wyoming | <u>8,843,062</u> | <u>129,000,441</u> | <u>14,225,196</u> |
| Subtotal | 28,594,976 | \$428,257,563 | \$ 40,724,119 |
| <i>Oil Lost</i> | | | |
| Colorado | (93) | \$ (1,832) | \$ (229) |
| New Mexico | <u>55</u> | <u>1,000</u> | <u>125</u> |
| Subtotal | (38) | \$ (832) | \$ (104) |
| <i>Phosphate</i> | | | |
| Idaho | 816,814 | \$ 13,493,760 | \$ 674,688 |
| <i>Potash</i> | | | |
| California | 198 | \$ 29,839 | \$ 1,492 |
| New Mexico | 294,625 | 27,940,768 | 527,524 |
| Utah | <u>5,804</u> | <u>512,867</u> | <u>15,386</u> |
| Subtotal | 300,627 | \$ 28,483,474 | \$ 544,402 |
| <i>Purge Liquor</i> | | | |
| Wyoming | 16,258 | \$ 338,220 | \$ 19,688 |
| <i>Quartz Crystals</i> | | | |
| Arkansas | 19,017 | \$ 42,140 | \$ 1,257 |
| <i>Sand and Gravel</i> | | | |
| Nevada | 557,417 | \$ 1,626,658 | \$ 121,390 |
| <i>Sodium</i> | | | |
| Arizona | 468 | \$ 15,444 | \$ 772 |
| California | 229,876 | 19,075,318 | 938,406 |
| Colorado | 23,608 | 3,326,282 | 166,314 |

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|----------------------------|------------------|------------------------|------------------------|
| Sodium (cont.) | | | |
| New Mexico | 155,219 | \$ 208,216 | \$ 10,506 |
| Utah | 4,037 | 20,810 | 500 |
| Wyoming | <u>1,027,257</u> | <u>76,811,488</u> | <u>4,255,208</u> |
| Subtotal | 1,440,465 | \$ 99,457,558 | \$ 5,371,706 |
| Sulfur | | | |
| Alabama | 82 | \$ 3,647 | \$ 456 |
| California | 1,550 | 9,300 | 465 |
| Montana | 451 | 3,397 | 342 |
| New Mexico | 1,047 | 5,308 | 431 |
| North Dakota | 97 | 267 | 90 |
| Utah | 4,978 | 21,904 | 2,738 |
| Wyoming | <u>2,580,133</u> | <u>77,171,768</u> | <u>169,778</u> |
| Subtotal | 2,588,338 | \$ 77,215,591 | \$ 174,300 |
| Trona Ore | | | |
| California | --- | \$ --- | \$ --- |
| Wyoming | <u>7,299</u> | <u>474,500</u> | <u>23,904</u> |
| Subtotal | 7,299 | \$ 474,500 | \$ 23,904 |
| Zinc | | | |
| Missouri | 16,213 | \$ 11,022,579 | \$ 323,946 |
| Royalty Total | | \$2,728,023,914 | \$263,244,813 |
| Rents | | | |
| Alabama | | | \$ 8,002 |
| Alaska | | | 2,053 |
| Arizona | | | 127,385 |
| Arkansas | | | 31,367 |
| California | | | 75,575 |
| Colorado | | | 796,325 |
| Florida | | | 248 |
| Idaho | | | 13,982 |
| Illinois | | | 516 |
| Kansas | | | 949 |
| Kentucky | | | 4,962 |
| Louisiana | | | 94,800 |
| Michigan | | | 40,808 |
| Minnesota | | | -- |
| Mississippi | | | 118,949 |
| Missouri | | | (162,077) |

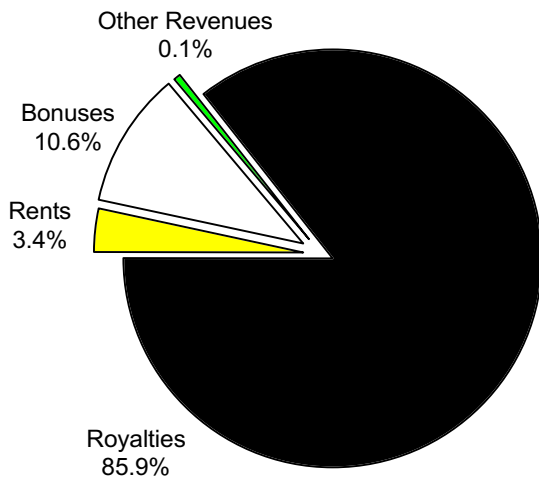
Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|--------------------------|-----------------|----------------|------------------------|
| Rents (cont.) | | | |
| Montana | | | \$ 469,551 |
| Nebraska | | | 240 |
| Nevada | | | 841,805 |
| New Mexico | | | 767,748 |
| North Dakota | | | 344,809 |
| Ohio | | | --- |
| Oklahoma | | | 56,823 |
| Oregon | | | 37,038 |
| Pennsylvania | | | 3 |
| South Dakota | | | 89,757 |
| Texas | | | 95,508 |
| Utah | | | 1,460,254 |
| Virginia | | | 1,324 |
| Washington | | | 14,332 |
| West Virginia | | | 2,408 |
| Wisconsin | | | --- |
| Wyoming | | | <u>4,972,726</u> |
| Rent Total | | | \$10,308,170 |
| Bonuses | | | |
| Alabama | | | \$ --- |
| Arizona | | | 149,987 |
| Arkansas | | | --- |
| California | | | --- |
| Colorado | | | 1,913,703 |
| Idaho | | | 13,230 |
| Kansas | | | 240 |
| Kentucky | | | 76 |
| Louisiana | | | 249,082 |
| Michigan | | | --- |
| Mississippi | | | (54,230) |
| Montana | | | 298,825 |
| Nevada | | | 102,851 |
| New Mexico | | | 5,817,130 |
| North Dakota | | | 301,251 |
| Oklahoma | | | 611,330 |
| South Dakota | | | 4,514 |
| Texas | | | 89,692 |
| Utah | | | 2,438,295 |
| Washington | | | --- |
| Wyoming | | | <u>20,457,944</u> |
| Bonus Total | | | \$32,393,920 |

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1998 (cont.)

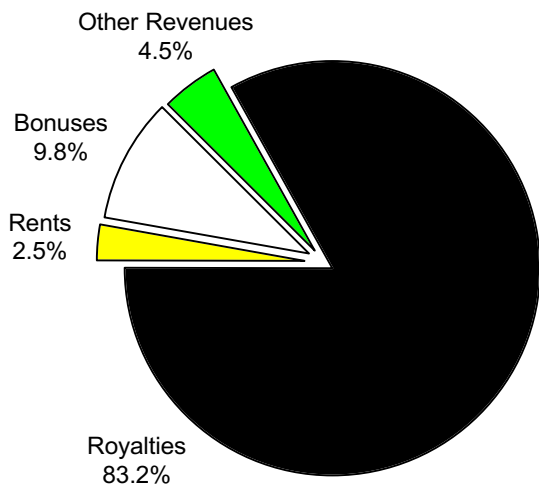
| | Sales Volume | Sales Value | Royalties/ Revenues |
|----------------------------|-----------------|----------------|------------------------|
| Other Revenues | | | |
| Alabama | | | \$ 9,914 |
| Alaska | | | 37,036 |
| Arkansas | | | 16,872 |
| California | | | 29,641 |
| Colorado | | | (98,937) |
| Florida | | | 123 |
| Georgia | | | --- |
| Idaho | | | 15,174 |
| Illinois | | | --- |
| Kansas | | | 110,537 |
| Kentucky | | | 8,127 |
| Louisiana | | | (198,183) |
| Maryland | | | --- |
| Michigan | | | 6,293 |
| Minnesota | | | --- |
| Mississippi | | | 3,368 |
| Missouri | | | 44,203 |
| Montana | | | 148,711 |
| Nebraska | | | 3,798 |
| Nevada | | | 1,921 |
| New Mexico | | | 168,366 |
| New York | | | --- |
| North Carolina | | | 474 |
| North Dakota | | | 14,899 |
| Ohio | | | 1,375 |
| Oklahoma | | | 100,294 |
| Pennsylvania | | | 5,623 |
| South Dakota | | | 3,204 |
| Texas | | | 6,690 |
| Utah | | | 124,528 |
| Virginia | | | 500 |
| West Virginia | | | 27,531 |
| Wyoming | | | (269,681) |
| Other Revenue Total | | | \$ 322,401 |
| Total Revenues | | | \$306,269,304 |

Note: One of the principal payors reporting on carbon dioxide in Wyoming claimed a recoupment against prior year royalty payments. Although carbon dioxide production occurred in 1997, resulting in a positive sales volume and sales value, the recoupment claimed for prior year royalty payments resulted in a net refund to the payor during the year.



| | |
|----------------|----------------------|
| Royalties | \$263,244,813 |
| Rents | 10,308,170 |
| Bonuses | 32,393,920 |
| Other Revenues | 322,401 |
| Total | \$306,269,304 |

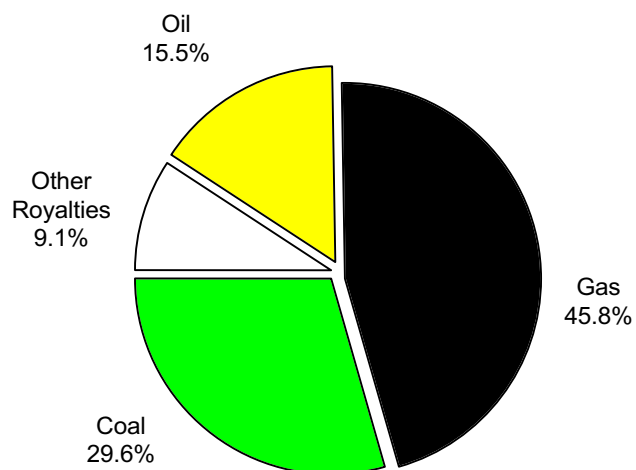
January - March, 1998



| | |
|----------------|----------------------|
| Royalties | \$311,612,543 |
| Rents | 9,487,892 |
| Bonuses | 36,718,529 |
| Other Revenues | 16,851,161 |
| Total | \$374,670,125 |

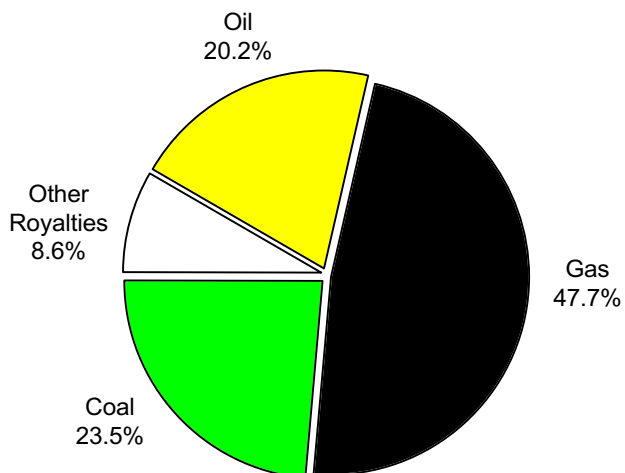
January - March, 1997

Figure 10. Revenues from Federal onshore mineral leases by source, January - March, 1997 and 1998



| | |
|-----------------|----------------------|
| Coal | \$ 77,805,892 |
| Gas | 120,712,823 |
| Oil | 40,724,119 |
| Other Royalties | 24,001,979 |
| Total | \$263,244,813 |

January - March, 1998



| | |
|-----------------|----------------------|
| Coal | \$ 73,191,736 |
| Gas | 148,763,470 |
| Oil | 62,927,696 |
| Other Royalties | 26,729,641 |
| Total | \$311,612,543 |

January - March, 1997

Figure 11. Royalties from Federal onshore mineral leases by commodity, January - March, 1997 and 1998

Indian Mineral Revenues



Photo courtesy of Corel Corporation

Table 11. Revenues from Indian mineral leases, by quarter, Calendar Year 1998

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|-------------------------|----------------------|-------------------|------------------|-------------------|----------------------|
| Coal Royalties | \$ 15,076,834 | \$ --- | \$ --- | \$ --- | \$ 15,076,834 |
| Gas Royalties | 20,413,241 | --- | --- | --- | 20,413,241 |
| Oil Royalties | 8,848,171 | --- | --- | --- | 8,848,171 |
| Other Royalties . . . | <u>1,801,608</u> | <u>---</u> | <u>---</u> | <u>---</u> | <u>1,801,608</u> |
| Royalty Subtotal | \$ 46,139,854 | \$ --- | \$ --- | \$ --- | \$ 46,139,854 |
| Rents | \$ 168,734 | \$ --- | \$ --- | \$ --- | \$ 168,734 |
| Bonuses | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Other Revenues . . | <u>\$ 979,872</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 979,872</u> |
| Total | \$ 47,288,460 | \$ --- | \$ --- | \$ --- | \$ 47,288,460 |

NOTE: Indian bonuses are collected by the Bureau of Indian Affairs.

Table 12. Revenues from Indian mineral leases, by quarter, Calendar Year 1997

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
|-------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Coal Royalties | \$ 15,742,090 | \$ 14,580,343 | \$ 17,523,344 | \$ 18,780,857 | \$ 66,626,634 |
| Gas Royalties | 20,277,525 | 18,927,023 | 15,982,887 | 25,222,348 | 80,409,783 |
| Oil Royalties | 12,940,317 | 10,348,358 | 10,469,227 | 14,780,483 | 48,538,385 |
| Other Royalties . . . | <u>2,045,220</u> | <u>2,558,101</u> | <u>1,740,595</u> | <u>3,327,973</u> | <u>9,671,889</u> |
| Royalty Subtotal | \$ 51,005,152 | \$ 46,413,825 | \$ 45,716,053 | \$ 62,111,661 | \$ 205,246,691 |
| Rents | \$ 153,405 | \$ 432,173 | \$ 123,703 | \$ 228,812 | \$ 938,093 |
| Bonuses | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Other Revenues . . | <u>\$ 1,138,352</u> | <u>\$ 60,141</u> | <u>\$ 220,009</u> | <u>\$ 6,199,872</u> | <u>\$ 7,618,374</u> |
| Total | \$ 52,296,909 | \$ 46,906,139 | \$ 46,059,765 | \$ 68,540,345 | \$ 213,803,158 |

NOTE: Indian bonuses are collected by the Bureau of Indian Affairs.

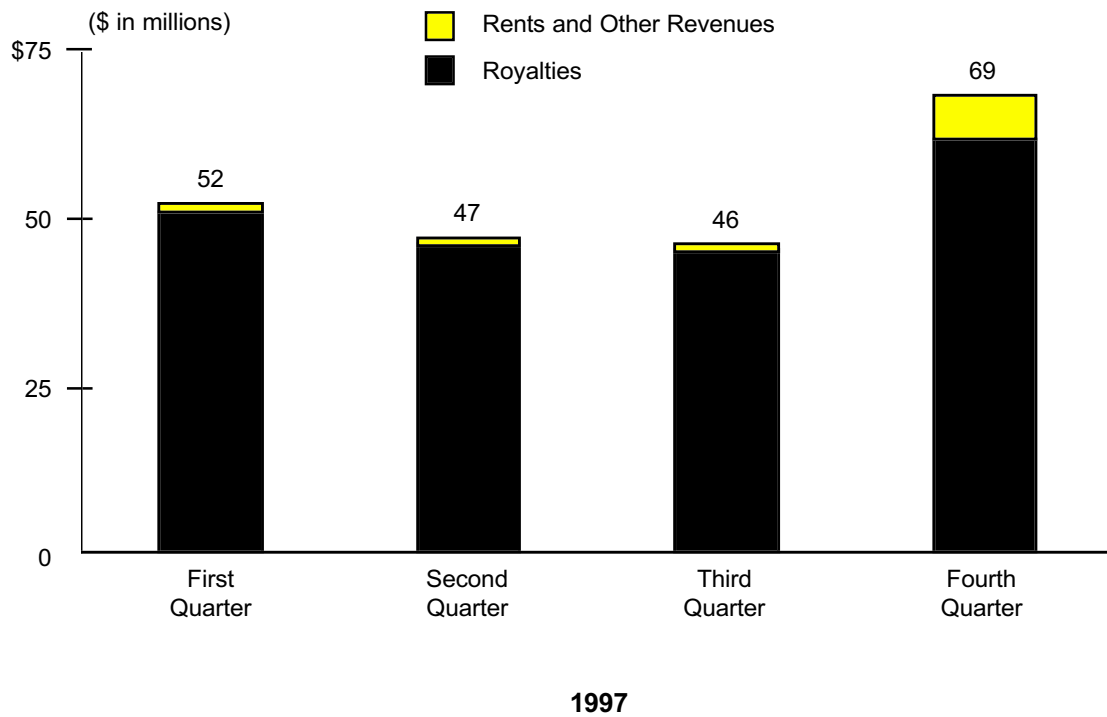
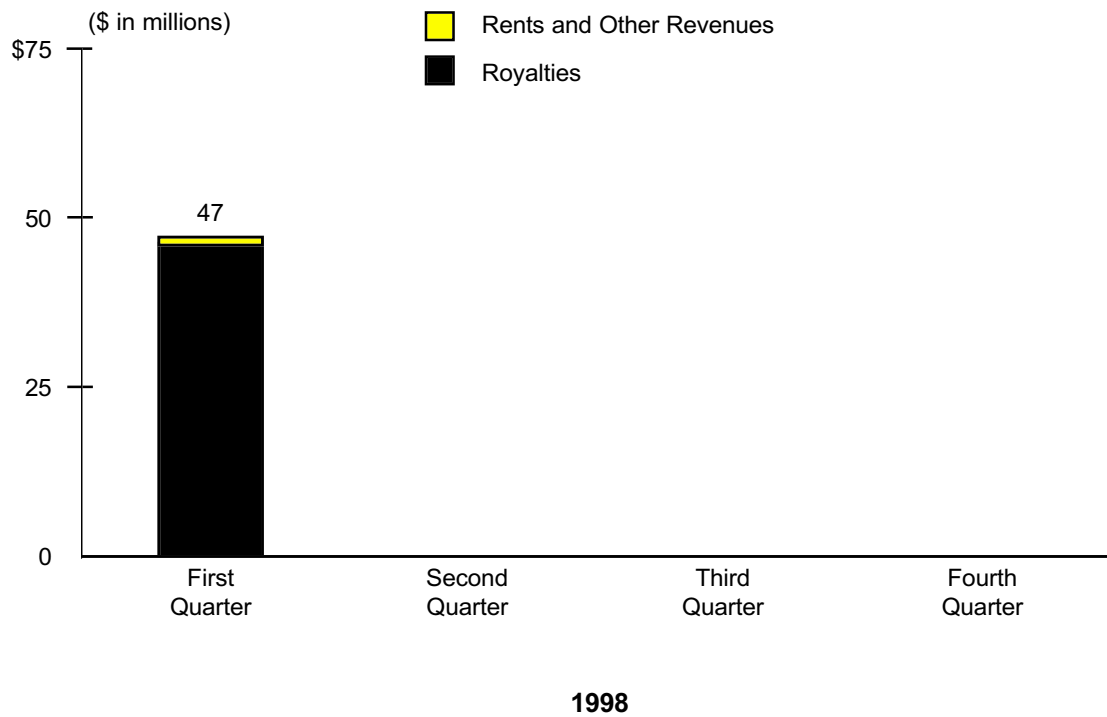


Figure 12. Revenues by source from Indian mineral leases, by quarter, Calendar Years 1997 and 1998

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - March, 1998

| | Sales Volume | Sales Value | Royalties/ Revenues |
|---------------------------|------------------|-------------------|------------------------|
| Chat | | | |
| Oklahoma | --- | \$ --- | \$ --- |
| Coal | | | |
| Arizona | 3,157,284 | \$ 72,112,362 | \$ 8,718,385 |
| Montana | 2,518,375 | 14,949,496 | 1,165,262 |
| New Mexico | <u>2,186,219</u> | <u>42,047,387</u> | <u>5,193,187</u> |
| Subtotal | 7,861,878 | \$129,109,245 | \$15,076,834 |
| Copper | | | |
| Arizona | 6,282 | \$ 2,782,464 | \$ 228,162 |
| Gas | | | |
| Arizona | 46,459 | \$ 77,917 | \$ 12,601 |
| Colorado | 35,576,830 | 77,824,710 | 10,867,132 |
| Montana | 375,090 | 704,583 | 103,877 |
| New Mexico | 11,657,502 | 29,526,146 | 3,863,069 |
| North Dakota | 40,040 | 91,134 | 12,051 |
| Oklahoma | 4,684,645 | 12,573,389 | 2,048,401 |
| Texas | 2,707,008 | 7,754,220 | 1,493,386 |
| Utah | 1,764,071 | 4,446,649 | 686,717 |
| Wyoming | <u>3,526,265</u> | <u>7,646,642</u> | <u>1,326,007</u> |
| Subtotal | 60,377,910 | \$140,645,390 | \$20,413,241 |
| Gas Lost | | | |
| Arizona | --- | \$ --- | \$ --- |
| Colorado | --- | --- | --- |
| New Mexico | <u>---</u> | <u>---</u> | <u>---</u> |
| Subtotal | --- | \$ --- | \$ --- |
| Gas Plant Products | | | |
| Arizona | --- | \$ --- | \$ --- |
| Colorado | 145,837 | 38,610 | 3,233 |
| Montana | 19,733 | 5,813 | 573 |
| New Mexico | 11,380,830 | 2,913,481 | 298,839 |
| North Dakota | 148,804 | 46,966 | 4,655 |
| Oklahoma | 1,210,192 | 380,781 | 54,396 |
| Texas | 3,556,196 | 973,150 | 131,557 |
| Utah | 1,174,178 | 362,013 | 21,617 |
| Wyoming | <u>46,445</u> | <u>18,916</u> | <u>2,531</u> |
| Subtotal | 17,682,215 | \$ 4,739,730 | \$ 517,401 |
| Gypsum | | | |
| New Mexico | 172,236 | \$ 688,944 | \$ 162,322 |

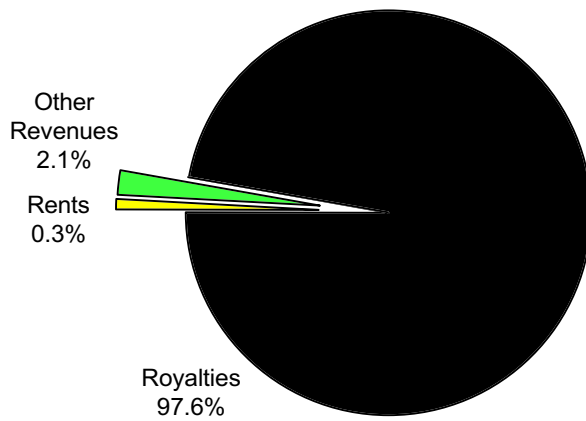
Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - March, 1998 (cont.)

| | Sales Volume | Sales Value | Royalties/ Revenues |
|-------------------------------|-----------------|----------------------|------------------------|
| <i>Limestone</i> | | | |
| Oklahoma | 26,057 | \$ 110,742 | \$ 2,866 |
| <i>Molybdenum</i> | | | |
| Arizona | --- | \$ --- | \$ --- |
| <i>Oil</i> | | | |
| Arizona | 15,890 | \$ 245,482 | \$ 40,414 |
| Colorado | 27,864 | 477,750 | 76,543 |
| Michigan | 104 | 1,568 | 208 |
| Montana | 181,715 | 2,812,320 | 449,542 |
| New Mexico | 192,713 | 3,184,431 | 441,629 |
| North Dakota | 23,497 | 363,984 | 53,469 |
| Oklahoma | 407,671 | 7,109,194 | 1,092,379 |
| South Dakota | --- | --- | --- |
| Texas | 233,636 | 4,105,917 | 804,983 |
| Utah | 2,115,771 | 31,757,728 | 5,011,369 |
| Wyoming | <u>242,033</u> | <u>4,497,665</u> | <u>877,635</u> |
| Subtotal | 3,440,894 | \$ 54,556,039 | \$ 8,848,171 |
| <i>Oil Lost</i> | | | |
| Colorado | --- | \$ --- | \$ --- |
| Oklahoma | <u>---</u> | <u>---</u> | <u>---</u> |
| Subtotal | --- | \$ --- | \$ --- |
| <i>Phosphate</i> | | | |
| Idaho | --- | \$ --- | \$ --- |
| <i>Sand and Gravel</i> | | | |
| Arizona | 709,315 | \$ 3,097,026 | \$ 529,901 |
| California | 175,964 | 798,876 | 128,140 |
| Colorado | 2,105 | 8,819 | 1,431 |
| Nevada | 243,621 | 1,120,180 | 93,892 |
| New Mexico | 113,256 | 348,829 | 83,859 |
| Oklahoma | 996 | 1,374 | 618 |
| Utah | --- | --- | --- |
| Washington | <u>108,705</u> | <u>337,201</u> | <u>49,265</u> |
| Subtotal | 1,353,962 | \$ 5,712,305 | \$ 887,106 |
| <i>Silica Sand</i> | | | |
| Arizona | 8,470 | \$ 190,149 | \$ 3,727 |
| <i>Sulfur</i> | | | |
| North Dakota | 33 | \$ <u>187</u> | \$ <u>24</u> |
| Royalty Total | | \$338,535,195 | \$46,139,854 |

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - March, 1998 (cont.)

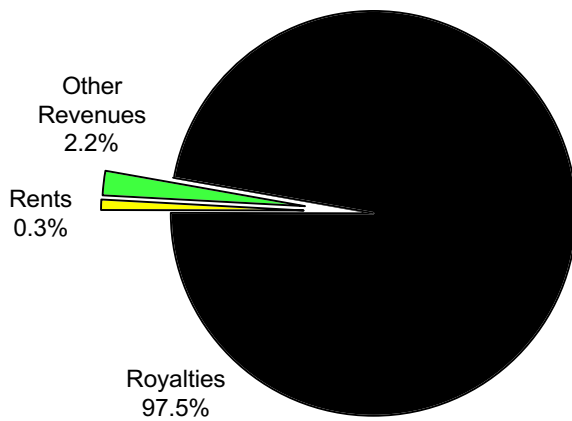
| | Sales Volume | Sales Value | Royalties/ Revenues |
|----------------------------------|-----------------|----------------|------------------------|
| Rents | | | |
| Arizona | | | \$ (389) |
| Colorado | | | (3,461) |
| Idaho | | | --- |
| Michigan | | | 169 |
| Montana | | | 4,584 |
| New Mexico | | | 105,827 |
| North Dakota | | | 2,102 |
| Oklahoma | | | 29,948 |
| South Dakota | | | --- |
| Utah | | | 27,603 |
| Wyoming | | | 2,351 |
| Rent Total | | | \$ 168,734 |
| Other Revenues | | | |
| Arizona | | | \$ 313,919 |
| California | | | --- |
| Colorado | | | 165,241 |
| Idaho | | | --- |
| Montana | | | 3,778 |
| Nevada | | | --- |
| New Mexico | | | (853,997) |
| North Dakota | | | 4,201 |
| Oklahoma | | | 404,597 |
| Texas | | | --- |
| Utah | | | 861,875 |
| Washington | | | --- |
| Wyoming | | | 80,258 |
| Other Revenue Total | | | \$ 979,872 |
| Total Revenues | | | \$47,288,460 |

NOTE: This table does not include sales volume, sales value, or revenues for Indian non-standard leases and agreements.



| | |
|----------------|--------------|
| Royalties | \$46,139,854 |
| Rents | 168,734 |
| Other Revenues | 979,872 |
| Total | \$47,288,460 |

January - March, 1998



| | |
|----------------|--------------|
| Royalties | \$51,005,152 |
| Rents | 153,405 |
| Other Revenues | 1,138,352 |
| Total | \$52,296,909 |

January - March, 1997

Figure 13. Revenues from Indian mineral leases by source, January - March, 1997 and 1998

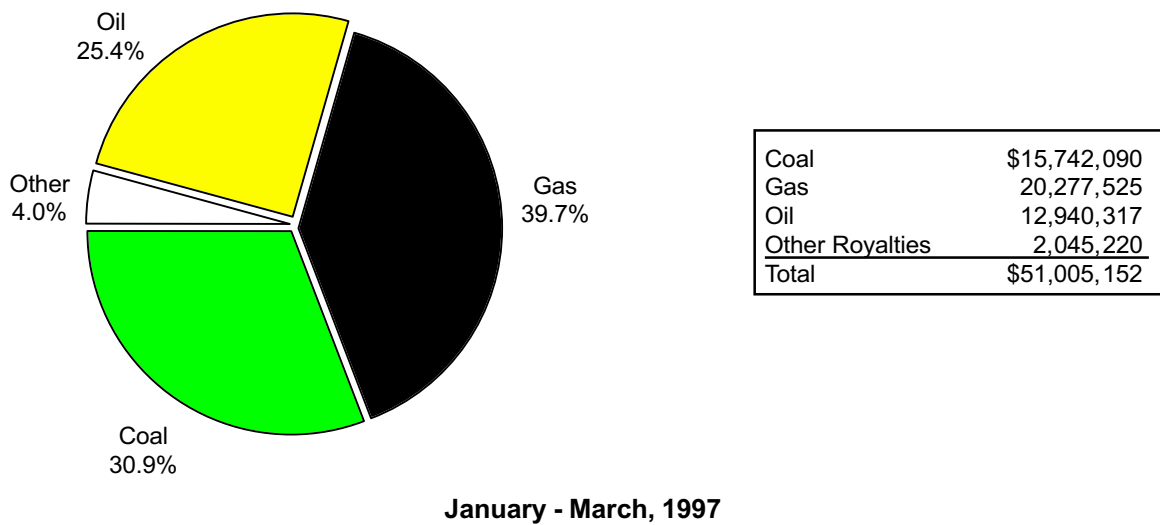
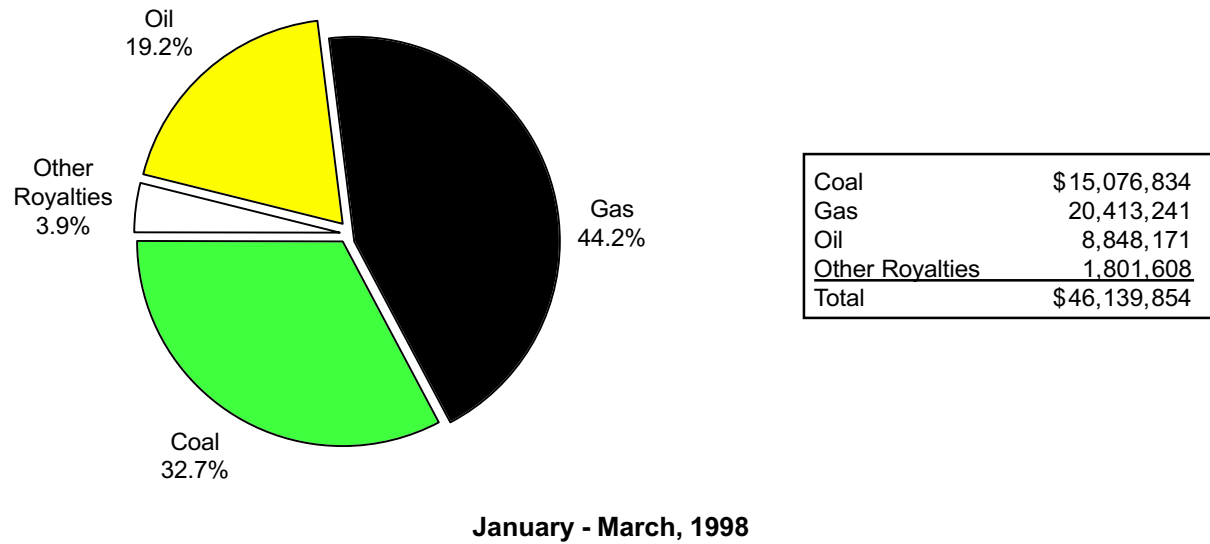


Figure 14. Royalties from Indian mineral leases by commodity, January - March, 1997 and 1998

Glossary

Acquired lands — Lands in Federal ownership that the Government obtained by deed through purchase, gift, exchange, or condemnation proceedings.

Allowance — An allowable deduction from value for royalty purposes.

Auditing and Financial System — A computer system application operated by the Minerals Management Service for collecting and disbursing royalties from producing leases and rents from nonproducing leases on Federal and Indian lands.

Barrel/bbl — A measure of volume for petroleum products. One barrel is equivalent to 42 U.S. gallons or 0.1589 cubic meters. One cubic meter equals 6.293 barrels.

BIA — Bureau of Indian Affairs. A Federal agency within the Department of the Interior responsible for facilitating the full development of the human and natural resource potential of Indian and Alaskan Native people to manage their own affairs under a trust relationship with the Federal Government.

Bonus — The cash consideration paid to the United States by the successful bidder for a mineral lease. The payment is made in addition to the rent and royalty obligations specified in the lease.

Bureau of Land Management — A Federal agency within the Department of the Interior that administers public lands and natural resources. Bureau of Land Management programs provide for the protection, orderly development, and use of public lands and resources under principles of multiple use and sustained yield.

Business Information System — A computer system application operated by the Minerals Management Service. The Business Information System is an enhanced version of the former State and Tribal Support System and is compatible with the

post-Business Systems Planning Implementation architecture. The Business Information System provides States, Indian Tribes, and other Federal agencies access to Auditing and Financial System data and selected Production Accounting and Auditing System data.

Competitive leasing — The Federal Government issues leases on Federal onshore lands where there are known mineral deposits, or where inference of probable mineralization may be derived from knowledge of the geology of the land. The lands are offered for lease by competitive bidding following publication of the offer of the lands for lease. The lease is issued to the highest bidder at a sale by public auction. The Federal Government offers leases of certain Outer Continental Shelf tracts by competitive sealed bid. The bids are received, announced, and recorded, and the lease is generally issued to the highest bidder. See **Noncompetitive leasing**.

Department of the Interior — A Cabinet-level department in the Executive Branch of the Federal Government, responsible for the administration of most of the nationally owned public lands and natural resources. The Department of the Interior is further responsible for American Indian reservation communities and for individuals who live in Island Territories under U.S. administration.

Effective date — The date a lease or assignment becomes effective. The effective date for a lease is the first day of the month after the issue date or, upon applicant request, the first day of the month of issuance. The effective date for an assignment is the first day of the month after proper filing of all required documents.

Electronic data interchange — A process designed to exchange information electronically to reduce paper report volume, reduce errors and expedite error correction, and provide a more current database.

Explanation of payment reports — A series of reports produced by the Minerals Management Service Royalty Management Program, mailed twice each month to Indian Tribes and once each month to States. The reports for Indian allottees are produced and distributed twice each month by the Bureau of Indian Affairs with information supplied by the Royalty Management Program. The reports address the source and nature of mineral revenue disbursements.

Federal land — All land and interests in land owned by the Federal Government, including Outer Continental Shelf, public domain, acquired, and military lands.

Federal Oil and Gas Royalty Management Act of 1982 — Public Law 97-451, 30 U.S.C. 1701 *et seq.*, enacted to ensure that royalties from oil and gas produced from Federal and Indian lands and the Outer Continental Shelf are properly collected and accounted for under the direction of the Secretary of the Interior.

Federal Oil and Gas Royalty Simplification and Fairness Act — Public Law 104-185, 110 Stat. 1700, enacted to amend the Federal Oil and Gas Royalty Management Act of 1982 and revise Minerals Management Service procedures in several respects.

FY — Fiscal Year. A period of time used for accounting purposes. The Federal Government recognizes a fiscal year that begins October 1 of one year and ends September 30 of the following year.

Indian allotment — An allocation of a parcel of public lands or Indian reservation lands to an Indian for individual use. Revenue from mineral production from leases on Indian allotments is paid to the individual Indian allottee. See **Indian allottee**.

Indian allottee — Any Indian who holds title to land or an interest in land subject to Federal restrictions against alienation. See **Indian allotment**.

Indian land — Lands owned by Indians, including either Tribal lands held in trust by the United States or subject to Federal restrictions against alienation, or allotted land owned by an individual Indian with

Federal restrictions against alienation. The Bureau of Indian Affairs monitors Indian leases.

Lease — A legal document executed between a landowner, as lessor, and a company or individual, as lessee, that conveys the right to exploit the premises for minerals or other products for a specified period of time over a given area.

LWCF — Land and Water Conservation Fund. The Land and Water Conservation Act of 1965 created a fund, primarily administered by the National Park Service, to provide revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Approximately 10-30 percent of the legislated yearly minimum of \$900 million is provided through revenues from surplus property sales and receipts from the motorboat fuels tax. The remaining 70-90 percent of the legislated yearly minimum is provided from offshore mineral leasing under the provisions of the Outer Continental Shelf Lands Act, as amended.

Mcf — Thousand cubic feet.

Military acquired lands — Lands acquired with military funds under military acquisition laws.

Mineral — Naturally occurring organic or inorganic substances with characteristics and uses that bring them within the purview of mineral laws. Minerals may be obtained under applicable laws from public lands by purchase, lease, or preemptive entry.

Mineral Leasing Act for Acquired Lands of 1947, as amended, 30 U.S.C. 351 *et seq.* — An act that extends mineral leasing laws, including the Mineral Leasing Act of 1920 and subsequent amendments, to all lands acquired by the United States, and authorizes mineral leasing on those lands. Mineral leases on acquired lands cannot be issued without the concurrence of the acquiring agency. The act requires disbursement of mineral receipts from acquired lands in the manner prescribed by legislation governing the type of land in question, including acquired national grasslands, and acquired national forest lands. See **MLA**.

Minimum royalty — An annual payment on a per-acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that lease year.

MLA — Mineral Leasing Act of 1920, as amended, 30 U.S.C. 181 *et seq.* An act, with subsequent amendments, that promotes the production of coal, gas, oil, oil shale, phosphate, potassium, and sodium on Federal public domain lands. The act establishes procedures to explore and develop each of these minerals and specifies terms and conditions for issuing permits and leases. Rental and royalty terms are specified for each mineral, and general conditions are established for pipeline right-of-way, lease diligence, royalty disposition, and holding restrictions. The act requires sharing royalty and other lease revenues with the States. The Secretary of the Interior is authorized to promulgate rules and regulations to implement and enforce the act.

MMS — Minerals Management Service. A Federal agency within the Department of the Interior that administers the Offshore Minerals Management Program and the Royalty Management Program. The Offshore Minerals Management Program is responsible for the Outer Continental Shelf leasing program and for ensuring that exploration and production of the Nation's offshore mineral resources is conducted in a safe manner with concern for the environment. The Royalty Management Program is responsible for the accurate and timely determination, collection, and distribution of royalties from Federal and Indian lands, and bonuses and rents from Federal lands.

Net profit share lease — An Outer Continental Shelf lease that provides for payment to the United States of a percentage share of the net profits for production of oil and gas from the tract. The percentage share may be fixed in the notice of the lease sale or may be a variable of the bid, depending on the bidding system used for the lease sale.

NHPF — National Historic Preservation Fund. A fund, currently administered by the National Park Service, designed to expand and accelerate historic preservation plans and activities. NHPF provides

revenues for matching grants-in-aid to States and local governments, and funds the National Trust for Historic Preservation. Offshore mineral leasing provides 100 percent of fund revenues.

Noncompetitive leasing — Leases issued to qualified applicants for land not specifically known or presumed to contain mineral or petroleum deposits in quantity. See **Competitive leasing**.

OCS — Outer Continental Shelf. All submerged lands seaward and outside the area of lands beneath navigable waters. Lands beneath navigable waters are interpreted as extending from the coastline 3 nautical miles into the Arctic Ocean, the Atlantic Ocean, the Pacific Ocean, and the Gulf of Mexico, excluding the coastal waters off Texas and western Florida. Lands beneath navigable waters are interpreted as extending from the coastline more than 3 marine leagues into the Gulf of Mexico off Texas and western Florida.

OCSLA — Outer Continental Shelf Lands Act of 1953, as amended, 43 U.S.C. 1331 *et seq.* An act that establishes procedures for U.S. jurisdiction of the Outer Continental Shelf lands and authorizes the Secretary of the Interior to issue exploration permits and mineral leases for oil, gas, sulfur, and other mineral resources on those lands. The Secretary is authorized to implement alternative bidding systems, including net profit share leases, to promote development of marginal oil and gas deposits. Significant amendments were enacted into the original law in 1978 and 1985. See **Net profit share lease**.

OPEC — Organization of Petroleum Exporting Countries. Current members follow: Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Operator — The individual, partnership, firm, or corporation having control or management of operations on a leased area or portion thereof. The operator may be the lessee, designated agent of the lessee, a holder of rights under an approved operation agreement, or an agent of an operating rights holder.

OTFM — Office of Trust Funds Management. OTFM is responsible for professional, technical, and

managerial leadership of financial activities, programs, and functions associated with funds held in trust for individual Indians and Indian Tribes.

Production Accounting and Auditing System — An integrated system of both automated and manual applications operated by the Minerals Management Service to collect production and other operational data, and to ensure that royalties are paid on 100 percent of reported production.

Public lands — Any land and interest in land owned by the United States and administered by the Secretary of the Interior through the Bureau of Land Management and the Minerals Management Service, without regard to the manner through which the United States acquired ownership, except (1) lands located on the Outer Continental Shelf, and (2) lands held for the benefit of Indians, Aleuts, and Eskimos. The Bureau of Land Management considers acquired lands to be a category of public lands. The Minerals Management Service distinguishes public domain lands from acquired lands for purposes of various statutory revenue distributions. See **Acquired lands**.

Rent — Periodic payments made by the holder of a lease, during the primary lease term, for the right to use the land or resources for purposes established in the lease.

Report month — The month in which the Minerals Management Service receives production, sales, or royalty reports from operators and lessees.

Royalty — Payment, in value (money) or in kind (a volume of the commodity), of a stated proportionate interest in production from mineral deposits by the lessees to the lessor. The royalty rate may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as

the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

Royalty-in-kind — A program operated under the provisions of the Mineral Leasing Act of 1920, as amended, and the Outer Continental Shelf Lands Act of 1953, as amended. The Federal Government, as lessor, may take part or all of its oil and gas royalties “in kind” (a volume of the commodity) as opposed to “in value” (money). Under the oil royalty-in-kind program, the Government sells oil at fair market value to eligible refiners who do not have access to an adequate supply of crude oil at equitable prices. In addition, the Minerals Management Service conducted a gas royalty-in-kind pilot program in 1995, entering into contracts to sell selected Gulf of Mexico natural gas by competitive bid to gas marketers. The pilot program was designed to reduce the administrative burden for both industry and the Government.

Sales value — Proceeds received for the sale of a mineral.

Sales volume — The volume of mineral production measured at the royalty settlement point determined by the Bureau of Land Management for onshore production and the Minerals Management Service for offshore production.

Treasury — Department of the Treasury. A Cabinet-level department in the Executive Branch of the Federal Government responsible for the financial resources of the United States. The Treasury is responsible for regulating national banks, determining international economic policy, collecting income taxes and customs duties, reporting Government daily financial transactions, and manufacturing coins and bills for circulation.

Appendix

Inch-Pound/Metric Conversion

Measurements in this report use English (inch-pound) units. Federal and industry organizations are moving toward International System Units, often referred to as metric units. The following table provides factors for converting measurements to inch-pound or metric units. To obtain the metric equivalent, multiply the inch-pound unit by the conversion factor. To obtain the inch-pound equivalent, multiply the metric unit by the conversion factor.

| To convert from inch-pound unit | Multiply by | To equal metric unit |
|--|--------------------|-------------------------------------|
| acre | 0.4047 | hectare |
| barrel (42 U.S. gallons) | 0.1589 | cubic meter |
| barrel (42 U.S. gallons) | 0.136 | metric ton |
| cubic foot | 0.0283 | cubic meter |
| gallon | 3.785 | liter |
| mile | 1.609 | kilometer |
| ton, long (2,240 U.S. lb.) | 1.016 | metric ton |
| ton, short (2,000 U.S. lb.) | 0.9072 | metric ton |
| To convert from metric unit | Multiply by | To equal inch-pound unit |
| cubic meter | 6.293 | barrel (42 U.S. gallons) |
| cubic meter | 35.33 | cubic foot |
| hectare | 2.471 | acre |
| kilometer | 0.6215 | mile |
| liter | 0.2642 | gallon |
| metric ton | 7.33 | barrels (42 U.S. gallons) |
| metric ton | 0.9843 | long ton (2,240 U.S. lb.) |
| metric ton | 1.1023 | short ton (2,000 U.S. lb.) |



As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.



As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The **MMS Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.